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Japan

Farm Ministry Defends Stance on Beef Imports

OW1208082293 Tokyo KYODO in English 0806 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—A senior farm ministry official defended as natural Thursday a recent request to trading houses to curb beef imports from the United States and Australia. Akio Kyoya, vice minister for agriculture, forestry and fisheries, said the request is aimed at stabilizing the domestic market as the ministry is concerned about excessive beef imports by Japanese trading firms.

The U.S. and Australia are two major beef suppliers for Japan. The two countries complained about the request by the ministry earlier this week, claiming it runs counter to the spirit of the 1988 agreements on Japan's liberalization of beef imports.

Kyoya said he does not regard the ministry's action as a violation of the agreement. He said the ministry has no intention of asking the two countries to voluntarily restrain beef exports to Japan.

Tokyo Plans Asian 'Front' for Uruguay Round

SK1208011393 Seoul YONHAP in English 0012 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 (YONHAP)—The Japanese Government was reported Thursday to have decided to form a joint front with other Asian countries and Mexico for the Uruguay Round of global trade negotiations. According to the Tokyo office of the Korea Trade Promotion Corp. (KOTRA), the Japanese Government plans to coordinate opinions with South Korea and other Asian countries in August on problems related to opening markets to foreign farm products, including rice, tariffs and anti-dumping charges.

The Japanese Government apparently wants to seek a consensus among Asian countries before the Uruguay Round negotiations resume in early September, sources said.

Tokyo especially values the opinions of South Korea and Mexico, who are about to join the Organization for Economic Cooperation and Development (OECD), the sources said.

However, the trade, industry and energy ministry in Seoul said it had not received any official proposal from Tokyo but it was prepared to study such a plan actively if asked. In its bilateral contacts with Asian countries, Japan plans to explain agreements reached at the July economic conference of Japan, the United States, Canada and the European Community. Japan then hopes to discuss with them mainly the opening of farm markets, lowering of tariffs, and application of dumping charges on products produced in third countries.

Japan wants to coordinate its position on these issues with other Asian countries in order to successfully carry out the negotiations at the Uruguay Round in September, KOTRA believes.

Hosokawa: Yen's Appreciation 'Very Serious'

OW1208082793 Tokyo NHK General Television Network in Japanese 0304 GMT 12 Aug 93

[From the "NHK News" program]

[Text] Commenting on the continuing appreciation of the yen, which has surged to its highest level, Prime Minister Morihiro Hosokawa told reporters: I think the market is behaving like this partly because of speculation. In any case, the situation is very serious. If the yen appreciates very quickly, cooperative intervention by various nations will be necessary. Appropriate measures have to be taken to deal with this situation.

The prime minister made clear the concern over the current steep rise in the yen's value, while at the same time expressing the view that it could become necessary for the industrialized nations, including the United States, to cooperate in intervening in the foreign exchange market.

Rise Worries Vice Trade Minister

OW1208072493 Tokyo KYODO in English 0717 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—Japan's vice trade minister expressed strong concern Thursday over the impact of the yen's sharp rise against the U.S. dollar on the Japanese economy.

Vice Minister of International Trade and Industry Hideaki Kumano said at a regular press meeting that he is "very concerned" about the effect of the "extremely fast speed" of the yen's advance on the condition of the economy. The Japanese currency hit a postwar closing high of 103.37 yen against the dollar in Tokyo on Thursday on follow-through buying from London and New York, where it also hit record highs.

Dealers said yen buying grew on speculation over lingering confusion over European currency rates and foreign pressure to boost the yen to cut Japan's trade surplus. Figures released Wednesday showed a continuing rise in the trade surplus in July.

Kumano said that under the new cabinet of Prime Minister Morihiro Hosokawa Japan has already shown a positive desire to cut its trade surplus. Some bold measures to boost domestic demand are necessary, but it will take "a little more time" for domestic demand to recover, he said.

Kumano brushed aside the possibility of cutting utility fees, explaining that power companies have still not amassed enough profits from currency exchanges on imported materials, which account for only 20 percent of

their operating costs. Japan's nine power firms had accumulated nearly 2 trillion yen in exchange profits when they last cut fees in January 1987.

Above all, Kumano said, "We don't believe the dollar rate of 103 to 104 yen is an appropriate level" at which to review fees.

Finance Ministry Official Urges Action

OW1208112793 Tokyo KYODO in English 1105 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—A top Finance Ministry official on Thursday said the latest dollar-yen fluctuation is highly undesirable for the economy and called for concerted action by the Group of Seven (G-7) economic powers to attain stability.

The official, speaking on condition of anonymity, said although there are limitations to what authorities can do in a free market, cooperation on currency exchange rate policy is the only way of achieving stability under the floating system. He dismissed the possibility of an immediate official discount rate reduction in Japan that could in theory make the yen less attractive.

The key lending rate the central bank charges on loans to commercial banks currently stands at a historical low of 2.5 percent per annum.

The dollar finished in Tokyo at 103.37 yen, down 0.40 yen from Wednesday's close. It touched a new global record low of 103.20 yen during the day.

Turning to domestic economic issues, the official said a debt-purchasing vehicle established by commercial banks earlier this year to liquidate nonperforming assets collateralized with property "is not accomplishing its initial goal." He said the vehicle has had limited success since it can purchase collateralized assets but not sell them because of the sluggish real estate market.

The official stressed the need to further reform the financial sector, criticizing some institutions for extending bailout loans to slightly risky clients which do not appear in statistics as bad loans. The official was more concerned about such debts than the soft loans the industry is believed to be extending to shaky recipients which are not classified as nonperforming loans.

He was prudent toward an additional pump-priming package, saying he must first see the effects of a 13.2 trillion yen program introduced earlier in the year, which probably have not yet appeared in the current quarter. He said stimulation packages have been introduced during past recessions when the economy had already begun to recover.

IEA To Develop Hydrogen Power Generation System

OW1108051093 Tokyo KYODO in English 0449 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—The International Energy Agency (IEA) has decided to develop a hydrogen power generation system as part of international efforts to stop global warming, government sources said Wednesday [11 August]. The new system would remove hydrogen gas from water using electrolysis and solar energy, and then burn a mixture of hydrogen and oxygen to turn a turbine and generate electricity.

The project would equally benefit developing and industrialized nations since hydroelectric power and sunlight are all that is needed to produce hydrogen, the sources said. Developed nations could also generate electric power using hydrogen transported in a liquid form from developing nations, it said.

The program was first proposed to the IEA by Japan's Agency of Industrial Science and Technology under the Ministry of International Trade and Industry. The agency has been involved since April in the national "New Sunshine Program," a project aimed at developing new energy sources in an effort to reduce the nation's dependence on energy supplied by fossil fuels such as oil.

The Japanese Government plans to cooperate positively on the IEA version of the project by consulting with European nations and the United States, the sources said.

Hydrogen is regarded as a "clean" energy source since it is produced from readily available water and produces only water when it is burned. Compared with a gas turbine system which uses fossil fuels, hydrogen power has 20 to 30 percent better thermal efficiency and is able to generate temperatures higher than 2,000 degrees centigrade. The agency said global carbon dioxide emissions could be cut by 20 percent if hydrogen power was used to generate 23 percent of the world's energy by the year 2050. Carbon dioxide is among the gasses many scientists say contribute to global warming, and its reduction is considered a serious issue facing the international community.

But the source said the path to development of a hydrogen power generation system remains strewn with stumbling blocks, such as a need for a more efficient electrolysis method and better systems for storing hydrogen.

The agency hopes to put the hydrogen power generation system into practical use by about the year 2030, the sources said.

Japan will also participate in an international project to develop the new system, which will involve seven nations including the United States, Canada, Germany and Switzerland, it said.

Reportage on Iran Vice Foreign Minister's Visit

Iran Warned on Military Aid to DPRK

OW1208115093 Tokyo KYODO in English 1144 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—Japan has cautioned Iran on its reported military cooperation with North Korea, a top Foreign Ministry source said Thursday. The source said Iran was warned over reports it was providing funds to North Korea for missile development.

Other ministry sources said that earlier in the week Vice Foreign Minister Kunihiko Saito met in Tokyo with a senior official from the Iranian Foreign Ministry. The official, who came to explain Iran's position on the reference to his country in last July's Group of Seven (G-7) political declaration, was quoted as denying the reports.

The G-7 declaration had said the leaders of the world's seven major industrial countries were "concerned about aspects of Iran's behavior." It called on Tehran "to participate constructively in international efforts for peace and stability and to cease actions contrary to those objectives." The declaration also said they will energetically oppose terrorism, particularly when sponsored by states.

Officials said Saito urged Iran to stop obstructing the Middle East peace process and supporting violent Islamic fundamentalist movements in other countries.

Minister: Iran Has 'Right' to N-Power

LD1008183093 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 10 Aug 93

[Text] Meeting our country's deputy foreign affairs minister today, the deputy foreign minister of Japan considered the peaceful use of nuclear power to be a right for Iran.

According to IRNA's report, the Japanese official made the above statement in his meeting with Borujerdi in Tokyo. He also said: Japan supports the policy of expansion of Iran's relations with the Persian Gulf littoral states. He then expressed satisfaction with the expansion of ties between the two countries and said that he hoped the trend may continue in future.

The Japanese deputy foreign minister presented a report about the G-7 summit. He considered cooperation and negotiations with the G-7 member countries, for the purpose of clarifying the positions of the Islamic Republic of Iran, as highly effective and useful.

Borujerdi, in turn, thanked the Japanese Government for its positions during the G-7 summit. He then criticized the negative attitude of the G-7 toward the Islamic Republic of Iran; an attitude induced due to the pressure exerted by some members of the G-7.

Terrorism, Mideast, Rights Discussed

LD1108160393 Tehran IRNA in English 1540 GMT 11 Aug 93

[Text] Tehran, Aug. 11, IRNA—Deputy Foreign Minister for Asia and Pacific Affairs Alaeddin Borujerdi met with his Japanese counterpart Takeo Fokuda in Tokyo, Japan Wednesday. Borujerdi delineated Iran's stances toward issues such as human rights, terrorism, arms and the Middle East peace talks at the meeting.

Referring to Iran's history as well as its geographical location in the region, Fokuda described Tehran's role in the region as "decisive". Fokuda reiterated Japanese officials keenness on continuation of exchanging views with Iranian officials.

Borujerdi welcomed the idea and expressed satisfaction with promotion of bilateral relations.

War Apology May Create 'False Expectations'

OW1208095293 Tokyo KYODO in English 0945 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—Japan's acceptance of responsibility for its wartime actions should be carefully planned so it does not foster "false expectations" among peoples of victimized countries, a top Foreign Ministry official said Thursday.

The official was apparently alluding to bureaucratic concerns that Japan may be besieged with demands for personal compensation if the new government of Prime Minister Morihiro Hosokawa engineers a Diet resolution acknowledging Japan's guilt and apologizing for its actions up to and during World War II.

Speaking to reporters on condition of anonymity, the official also said the anticipated announcement, whatever form it eventually takes, should in no way suggest that legal agreements already concluded between Japan and victimized countries are subject to revision. Legally speaking, Japan has closed the curtain on World War II with most of those countries as far as the question of compensation is concerned, government officials said.

But officials say there remains the issue of how Japan, outside its legal obligations, is morally obligated to express its repentance in tangible form. Japan is now considering compensation for Asian "comfort women" who were forcibly recruited to provide sexual services to frontline Japanese soldiers. Hosokawa earlier this week took the unprecedented step of declaring he personally considers that Japan was mistaken in waging a "war of aggression."

Foreign Aid Ceiling Set at 7.9 Percent Rise

OW1208085893 Tokyo KYODO in English 0834 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—The Finance Ministry decided Thursday [12 August] to set the ceiling on

budget requests for foreign aid in fiscal 1994 at a growth of 7.9 percent from the initial fiscal 1993 budget, government sources said. The sources said the decision came after negotiations with the Foreign Ministry and other related ministries and agencies.

The growth rate is below the ceiling of 9.4 percent for the official development assistance (ODA) budget for fiscal 1993, but above the 6.5 percent initially budgeted for that year. The relatively high ceiling for fiscal 1994 despite the Finance Ministry's tough budgeting stance reflects the new coalition government's foreign policy that emphasizes international contribution.

The sources said last-ditch negotiations over defense spending are still proceeding on whether to set the growth ceiling above 2 percent.

The Finance Ministry will submit the ceiling of the overall fiscal 1994 draft budget for approval at a cabinet meeting Friday, and each ministry and agency will prepare budget requests based on the figure, if approved, by the end of this month. If everything goes smoothly, the cabinet will endorse the draft budget in December.

The Finance Ministry initially intended to limit growth of ODA to about 6 percent in line with the austere budget climate, but the foreign ministry strongly objected.

The government has suffered this fiscal year an income shortfall—about 1.5 trillion yen—for the first time in 11 years, mostly because of a sharp decline in tax revenue during the economic slump.

Under a plan of the previous government, Japan is to spend 70 billion to 75 billion dollars in ODA over five years, starting from this year.

Finance Ministry sources said 7.9 percent growth is enough to follow the plan considering the yen's recent strengthening against the dollar.

Firm To Launch Distribution Venture in PRC

OW1108111093 Tokyo KYODO in English 1001 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—Major Japanese trading house Marubeni Corp. announced Wednesday [11 August] it has signed a contract to launch a comprehensive distribution venture in Shanghai, China. Marubeni will be the first foreign concern to take a stake in a Chinese distribution enterprise, the company said.

The company said the venture, Shanghai Logistics Co., will be established in October to initially handle distribution of textiles, shoes and other sundry goods in the Shanghai region. The new company, capitalized at 5 million dollars, will be owned 60 percent by Marubeni and 40 percent by three Chinese firms—15 percent each by Shanghai Sino-Trans and Shanghai Waigaoqiao Port Service Co., and 10 percent by Shanghai Outer Gaoqiao Free Trade Zone United Development Co. Marubeni said an additional 7.5 million dollars will be invested in about two years to expand warehousing and other facilities.

New Lineup of Parliamentary Vice Ministers

OW1208104593 Tokyo KYODO in English 1011 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—The following is a list of new parliamentary vice ministers named by Prime Minister Morihiro Hosokawa on Thursday:

(Position)	(Name)	(Party)
Justice	Hidenori Sasaki	SDPJ
Foreign Affairs	Shozo Azuma	Komeito
Finance	Masao Nakamura	SDP
Finance	Kazuo Kitagawa	Komeito
Education	Motoo Abe	DSP
Health and Welfare	Masayuki Okajima	Shinseito
Agriculture, Forestry and Fisheries	Morio Kimura	Shinseito
Agriculture, Forestry and Fisheries	Maki Murasawa	SDPJ
International Trade and Industry	Sadao Wada	SDPJ
International Trade and Industry	Otohiko Endo	Komeito
Transport	Toshihiro Nikai	Shinseito
Posts and Telecommunications	Aogu Matsumae	SDPJ
Labor	Takanobu Nagai	SDPJ
Construction	Eisei Ito	DSP
Home Affairs	Tetsuzo Fuyushiba	Komeito
Management and Coordination	Yuriko Koike	JNP
Hokkaido Development	Hisamitsu Sugano	SDPJ
Defense	Natsuo Yamaguchi	Komeito
Economic Planning	Issei Koga	Shinseito
Science and Technology	Harumi Inui	DRP
Environment	Tsutomu Yamamoto	SDPJ
Okinawa Development	Hideaki Tamura	Shinsenito
National Land	Toshio Masuda	Shinseito

(note: Social Democratic Party of Japan [SDPJ], Japan New Party [JNP], Democratic Socialist Party [DSP], Democratic Reform Party [DRP, upper house parliamentary group]

Vice Ministers Hold First Meeting

OW1208114393 Tokyo KYODO in English 1125 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—Parliamentary vice ministers, newly appointed by Prime Minister Morihiro

Hosokawa, held their first meeting at his official residence Thursday [12 August], government officials said. Hosokawa named 23 new parliamentary vice ministers, including two women, from the alliance of seven parties and one parliamentary group which formed a coalition government last Monday.

The two female appointments are Yuriko Koike of the Japan New Party as vice minister of the Management and Coordination Agency and Harumi Inui of the Democratic Reform Party [upper house parliamentary group] as vice minister of the Science and Technology Agency.

Hosokawa, in an attempt to boost their roles in governmental affairs, told the vice ministers they should meet every Thursday, instead of just once a month as was the case with the former Liberal Democratic Party governments.

Coalition Sets 13 Aug Deadline for Reform Outline

OW1108140293 Tokyo KYODO in English 1341 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—The seven parties within the coalition government agreed Wednesday [11 August] to seek to reconcile by Friday their differences over outlines for political and electoral reform bills, officials of the parties said. The seven parties will seek to finalize the contents of the bills to submit them to an extraordinary Diet session in September, they said. The agreement came at a meeting at the Diet building of secretaries general of the seven parties, the officials said.

The accord followed a remark by Prime Minister Morihiro Hosokawa on Tuesday that he would take political responsibility if his administration failed to push reform bills through the Diet by the year-end. The remark was widely interpreted in the political community as indicating his resolve to resign as premier in the case of failure to secure parliamentary passage of the bills.

Under the Constitution, such a resignation would force the coalition to face another general election or parliamentary vote to pick a new premier. Hosokawa, leader of the Japan New Party (JNP), was swept to power only Friday after securing allegiance from the other six parties.

Press reports say squabbles over the contents of the bills have already rocked the alliance of the coalition partners.

Hosokawa proposed appropriating 250 seats to single-seat electoral districts for a 500-member House of Representatives and the remaining 250 seats to be selected through proportional representation.

While the Social Democratic Party (SDP) backs the proposal, Shinseito [Japan Renewal Party] and Komeito are reportedly demanding a combination of 300 single-seat districts and 200 seats to be decided under proportional representation.

Shinseito co-leader Ichiro Ozawa, who reportedly wields the real power behind the scenes within the coalition, told reporters Wednesday, "We have to hand down a political decision (to eliminate the differences)."

Meanwhile, the seven coalition partners formed an arm to solidify the relationship between the Hosokawa government and the seven parties, the officials said. The seven parties agreed to set up a Standing Supreme Committee of their secretaries general entrusted with ironing out differences among the parties, they said. The committee will comprise Ozawa, SDP Secretary General Hirotaka Akamatsu, Komeito Secretary General Yuichi Ichikawa, Democratic Socialist Party Secretary General Takashi Yonezawa and Hiroyuki Sonoda, representative of the Sakigake-JNP alliance. The committee will assume ultimate responsibility of policy formulation and negotiations with opposition parties over parliamentary proceedings, they said.

The coalition decided to form another committee as well that will comprise the leaders of the seven parties and include the supreme committee members, they said. The committee will hold weekly meetings—held Mondays—and will comprise Hosokawa, Foreign Minister Tsutomu Hata, Political Reform Minister Sadao Yamahana, Management and Coordination Agency Director General Koshiro Ishida, Health and Welfare Minister Keigo Ouchi and Chief Cabinet Secretary Masayoshi Takemura. The weekly meeting will function as a liaison forum for expediting communications between the government and the parties, they said.

The seven parties also agreed to hold a monthly meeting of the seven party leaders as well as Science and Technology Agency Director General Satsuki Eda, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai and two representatives of the democratic reform party, the officials said.

The supreme committee will use, as its arm, a 10-member committee of party experts on policy formation and parliamentary steering talks with the opposition, they said. The formation of the 10-member committee was agreed upon Wednesday, they said.

Home Ministry on Disparity in Value of Votes

OW1208091493 Tokyo KYODO in English 0804 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—The maximum disparity in the value of a vote between densely and scarcely populated constituencies for the House of Representatives came to 2.79 to one as of March 31 this year, the Home Affairs Ministry said Thursday.

The largest discrepancy overshadowed the value of ballots cast in the Ehime No. 3 constituency where one vote equaled 2.79 in the Tokyo No. 11 constituency, the ministry said. The five-seat Tokyo No. 11 district has a per-seat population of 408,180, while the three-seat Ehime No. 3 district has one of 146,528, it said. In

House of Councillors electoral districts, the maximum disparity stands at 6.52 to one, larger than last year's maximum gap of 6.46 to one, it said. The four-seat Kanagawa constituency has a per-seat population of 2,014,364, while the two-seat Tottori constituency has one of 309,023.

Last year, the lower chamber passed legislation to narrow the discrepancy for the lower house by adding one seat each to nine overpopulated electoral districts and cutting one seat each from 10 sparsely-populated districts.

The legislation shrank the discrepancy in all electoral districts to within three to one, a yardstick set by the supreme court which called for keeping the disparity below that level to ensure the constitutionality of elections.

Before the adjustment, the maximum disparity stood at 3.40 to one among the lower chamber's electoral districts.

Ministry Wants 3.7 Percent Spending Growth Limit

OW1108181093 Tokyo KYODO in English 1404 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—The Ministry of Finance is seeking to restrict growth in general operating expenditures for fiscal 1994 to around 3.7 percent to 41.4 trillion yen and has started final negotiations with other government agencies, ministry sources said Wednesday. The growth rate compares with the 4.6 percent expansion in fiscal 1993 expenditures.

The general operating expenditures constitute the core of the budget, covering social security, education, defense, public works and other public costs. Among the expenditures, growth in defense spending, one of the areas the ministry most wants to restrain, is being negotiated at around 2.0 percent. The growth in Official Development Assistance (ODA), another area drawing attention, is being discussed at about 8.0 percent.

The ministry will finish negotiations Thursday and the budget ceiling for the year that starts April 1, will be approved at a cabinet meeting Friday, the sources said. They said the ministry initially sought to curb the growth of all general operating expenses to 2-3 percent from the initial budget for fiscal 1993. It had wanted no growth in defense spending, but the defense ministry requested a 3 percent rise from the previous year, according to the sources.

The figure for ODA spending, the growth of which the ministry sought to curb at about 6 percent, will swell because the Foreign Ministry and other sectors concerned asked for about a 9 percent increase to meet a five-year target to 1997 of 70-75 billion dollars. As a result, the increase in general operating expenses next year is likely to be larger than the ministry's original plan, though the sources said that growth has nonetheless been curbed considerably.

The ministry is also seeking a 5 percent increase in public investment after six years of no growth, and a 10 percent decrease in operational spending. It also plans to scrap the three special budgetary outlays related to improving the people's quality of life, the sources added.

FY92 Tariff Revenues Fall First Time in 5 Years

OW1108111293 Tokyo KYODO in English 0954 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—Revenue from tariffs dipped 1.4 percent in fiscal 1992 to 1,005.83 billion yen mainly because of declining imports, snapping five straight years of increases, the Finance Ministry said Wednesday [11 August]. The drop followed a 10 percent increase last year.

Including other levies collected by customs offices, such as the consumption tax, total revenue came to 2,772.16 billion yen, down 8.4 percent from the year before.

A sharp but technical decline of the petroleum levy was the main reason for the overall plunge, officials said. The duty fell 23.4 percent from fiscal 1991 due to the scrapping of a special 50 percent tax hike on oil. In fact, petroleum imports increased by 14.3 percent in volume in fiscal 1992, which ended March 31, and the revenue would have increased were it not for the tax's abolition, the officials said.

Lower House Elects Yamaguchi Budget Panel Head

OW1208035193 Tokyo KYODO in English 0319 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—The House of Representatives on Thursday elected Tsuruo Yamaguchi, former secretary general of the Social Democratic Party [of Japan] (SDP), as chairman of its budget committee, a key post long monopolized by the Liberal Democratic Party (LDP). At a plenary session of the lower house, 18 others were also elected chairmen of the key chamber's standing committees, with legislators in the ruling seven-party coalition filling 13 of them, compared with the LDP's five.

Yamaguchi, 67, served as secretary general of the SDP from 1986 to 1991 under Takako Doi, who was elected lower house speaker last week.

The lower chamber also decided to set up nine special committees. Hajime Ishii of Shinseito (Japan Renewal Party) was named chairman of the Special Committee on Political Reform. Ishii, 58, once headed a panel studying the issue of electoral reform for the LDP's Political Reform Headquarters. Shinseito is an LDP breakaway party. Prime Minister Morihiro Hosokawa has staked his

political future on implementing reforms featuring electoral changes and tighter curbs on political funding.

Keiwa Okuda, 65, a senior Shinseito member, has already filled the post of chairman of the lower house steering committee. Most Shinseito legislators were formerly at the center of power when they were with the LDP and considered proficient in handling Diet affairs.

An opening ceremony for the special Diet session was held at the plenary assembly hall of the House of Councillors on Thursday afternoon with Emperor Akihito attending. The session was convened last Thursday to elect a prime minister. Lower house speaker Doi, representing both Diet chambers, said, "We must properly cope with domestic and foreign situations facing us and take all possible measures to promote polices with renewed resolution."

The emperor expressed hope the Diet will fulfill its mission as the nation's highest organ of state power and meet people's trust. Diet members of the Japanese Communist Party, which opposes the emperor's presence at parliament, boycotted the ceremony.

The plenary sittings of both lower and upper houses decided Thursday afternoon to extend the term of the special Diet session for two weeks until August 28. The session originally was to have ended Saturday. The Diet decision means Prime Minister Hosokawa will deliver a speech August 23 outlining his administration's policy goals. Representatives from parties will ask questions about Hosokawa's policy speech at both chambers for three days from August 25. SDP Secretary General Hirotaka Akamatsu, LDP President Yohei Kono and Japanese Communist Party (JCP) head Tetsuzo Fuwa will pose the questions in the lower house, officials said.

The Diet decided to hold a recess from Friday until August 22 for the obon holiday period.

Yamahana To Quit as SDPJ Chief, Seek Reelection

OW1208055193 Tokyo KYODO in English 0531 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—New State Minister Sadao Yamahana on Thursday offered to resign as Social Democratic Party (SDP) [of Japan, SDPJ] chairman to atone for the party's electoral setback in the July 18 House of Representatives election.

"I have not forgotten my responsibility for the electoral defeat for even a single day and I feel indebted to my comrades who failed to win Diet seats," Yamahana said in a prepared statement he read to a meeting of SDP executives at party headquarters.

Minutes later, Yamahana told reporters that after resigning he would seek reelection from within the party in an effort to reconstruct the SDP. The SDP, formerly the main opposition party in Japan, suffered a historic setback in the July vote, losing 64 seats to a 70 total.

SDP officials said that during the meeting on Thursday party executives tried to persuade Yamahana to change his mind about resigning.

"My biggest mission is to reconstruct the party," he told a news conference after the meeting.

Yamahana became chairman in January and maneuvered the party's course into becoming one of seven in the coalition government of Prime Minister Morihiro Hosokawa that was inaugurated on Monday. Hosokawa made Yamahana responsible for political reform, a crucial task of the new cabinet.

Within the new administration, the SDP was given six cabinet posts, including those of construction, transport, home affairs, political reform, as well as directorship of the Economic Planning Agency and National Land Agency.

Education Minister Akamatsu Interviewed

OW1108135493 Tokyo NHK General Television Network in Japanese 1042 GMT 10 Aug 93

[Interview with Education Minister Ryoko Akamatsu from her office in the Education Ministry by NHK anchorman Yoshiaki Kawabata via satellite hookup from NHK studio; from the "NHK News 7" program—live; first in a five-day series of interviews with key members of the Hosokawa cabinet; first paragraph is brief profile of Akamatsu]

[Text] Akamatsu is one of the two nonpoliticians in the cabinet. She is a former official of the Labor Ministry, where she was a major force behind the law on equal employment opportunities for men and women. The law was passed by the Diet in 1985. In 1986 she was named ambassador to Uruguay, the second woman ambassador from Japan.

[Kawabata] Ms. Akamatsu, you have so far contributed to women's participation in society and to improving women's social status. Are you the front runner in these movements?

[Akamatsu] It is too presumptuous to say I am the front runner. But truly, I have done my best.

[Kawabata] I heard at the news conference today you mentioned that a woman should be on the sumo wrestling council. Is it part of your efforts for equal employment opportunities for women?

[Akamatsu] For many years I have been calling for increasing the number of women in government councils and have also demanded that women be in every government council. I have made such requests in order to increase the opportunities for women to participate in politics and policy-making forums. I expect the government to increase such opportunities. Of course the sumo council is not a government forum. Some people may say I have no right to talk about the council. It will take a long time before the council decides to accept a woman

as a member. I believe the participation of a woman in the council is correct. So far, the council has not clarified its reasons for rejecting a woman as a member. I feel the council has no good reason for its rejection.

[Kawabata] Now I want to ask you about educational affairs. The Education Ministry has to deal with the issues of correcting deviation value-oriented education and abolishing school tests sponsored by private companies. As education minister, how are you going to tackle these problems?

[Akamatsu] The current education system places too much emphasis on providing knowledge to students and on test scores. This is not good. Emphasis should be placed on developing students' individuality so they will develop a rich human nature. Of course necessary knowledge should also be provided, but this is not all. Under the current system, it is possible that you fail an entrance exam because you are only one point short of passing. The system has harmful effects. We should stop cramming knowledge into children's heads. Instead, we should teach them to become warm-hearted people. This is important. Because the deviation value-oriented education has harmful effects, it should be stopped.

[Kawabata] The education minister before your predecessor indicated a policy of abolishing school tests sponsored by private companies. Will you follow his policy?

[Akamatsu] Yes. It would be ridiculous to abandon this policy, which is good, because the government changed. I would like to continue pursuing the policy.

[Kawabata] At the news conference held shortly after you were named education minister, you said it must be a dream. You also said Japan should contribute to the international community in the cultural field. What specifically did you mean by that?

[Akamatsu] There are various ways to contribute to the international community. I believe military contributions are not good. Although economic contributions are not bad, contributions in other areas should be made. I believe Japan can make cultural contributions, which the international community would welcome. At the news conference, I specified two contributing measures. In developing countries, there are many illiterate people, especially among women. It is beyond our imagination how inconvenient it is to be illiterate. If you live in Japan where the literacy rate is very high, it may be difficult to understand their inconveniences. Japan should make greater contributions to increasing the literacy rates in developing countries. This is one contributing measure. Another is for Japan to develop a high-quality culture and have people in the world enjoy that culture. If Japan can promote this, that will make me happy.

[Kawabata] Do you feel these cultural contributions can be achieved?

[Akamatsu] If they require a lot of money, it may be difficult since Japan is currently in a tight financial situation. However, money spent for cultural purposes is software. It takes a lot of money to create a hardware like bridges and roads; but culture being software, cultural contributions will not require a lot of money. I am an optimist by nature, but I do not think we can implement them immediately. Still I will do my best during my tenure in office to promote cultural contributions.

[Kawabata] Thank you very much.

Transport Ministry To Consider Airfare Hike Plan

OW1208082393 Tokyo KYODO in English 0751 GMT 12 Aug 93

[Text] Tokyo, Aug. 12 KYODO—Vice Transport Minister Michihiko Matsuo said Thursday the ministry will give careful consideration to a plan by Japan Air System (JAS) to raise domestic air fares to help it through the business slump. Matsuo said at a press conference he has no immediate comment on the plan, though he tends to sympathize with it as the company has not raised its fares for the last 11 years.

JAS, one of three major Japanese airlines, incurred an unconsolidated pretax loss of 4.8 billion yen in fiscal 1992, which ended March 31. The loss is expected to expand to 20 billion yen in the current fiscal year ending next March unless fares are hiked, JAS President Takeshi Majima has said.

Matsuo quoted newly named Socialist Transport Minister Shigeru Ito as saying he will carefully study the matter.

The ministry customarily seeks to have all three airlines maintain domestic fares at the same level. The two other carriers, Japan Airlines and All Nippon Airways, have said they have no immediate plans to revise their domestic fares.

Private Machinery Orders Up 0.8 Percent in Jun

OW1108000193 Tokyo KYODO in English 0717 GMT 10 Aug 93

[Text] Tokyo, Aug. 10 KYODO—Japanese private-sector orders for machinery, which show capital spending in the coming six to nine months, inched up 0.8 percent in June from the previous month, the Economic Planning Agency (EPA) said Tuesday.

The orders were worth 822.7 billion yen after seasonal adjustment, down 15.4 percent from June last year, representing the 15th straight month of year-on-year declines. On a month-to-month basis, the orders, excluding those for ships and those from electric power companies, which tend to be volatile, plunged 26.8 percent in April and expanded 3.7 percent in May.

Labor Ministry Survey Reveals Labor Shortage

OW1008133693 Tokyo KYODO in English 0953 GMT 10 Aug 93

[Text] Tokyo, Aug. 10 KYODO—The labor force has been generally in short supply among Japanese corporations, the Labor Ministry said in a survey report Tuesday. The preliminary survey showed 44.1 percent of firms polled reported a manpower shortage, while a mere 2.9 percent reported an excess work force. The survey was conducted in September last year, covering about 4,500 companies with 30 or more employees. Of the total, 3,935 firms responded.

The survey said firms with 1,000 or more employees reported an excess labor supply of 9.6 percent, while 19.7 such firms reported a manpower shortage.

In September last year, many Japanese corporations predicted a larbor shortage will continue on a medium and long-term basis, a Labor Ministry official said. But the situation has changed a bit recently amid the protracted slump in the Japanese economy, the official said.

The construction industry reported the largest labor shortage share with 62.0 percent, followed by 57.0 percent for the transport and telecommunications industries and 48.3 percent for the services sector.

Among companies with between 30 to 100 employees, the share of manpower oversupply came to a marginal 1.9 percent, the survey said. Among all industries, financial institutions, including insurance firms, reported the largest excess ratio of 5.8 percent.

On types of business, 52.6 percent of departments in charge of manufacturing and 42.7 percent of service-related departments suffered a manpower shortage, the ministry said. But 5.0 percent of clerical and management departments reported an excess supply of manpower.

The survey on specific business sectors counted plural answers from one company, which usually has several departments, such as sales and manufacturing.

Of the total firms surveyed, 58.2 percent said the manpower supply would rise in the coming five years, against 5.8 percent who predicted a workforce decrease. The survey said 62.1 percent of the firms reported they expect to secure a sufficient workforce level in five years. Over one-third said it would be difficult to secure their targeted manpower supply.

The survey did not reflect the labor situation of part-time workers.

Tokyo University Still Top Supplier for State Posts

OW1108034293 Tokyo KYODO in English 0248 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 KYODO—Tokyo University students are still the largest single group of successful applicants for career-track positions in the bureaucracy, the national personnel authority said Wednesday [11 August]. The authority said that 1,863 of the 35,887 people who applied to take the elite civil service examination passed this year's test, a rate of one in every 19.3 applicants, higher [as received] than the previous year's rate of one in every 14.8. Of the total, some 860 will ultimately be selected to enter the bureaucracy next spring, officials said. Tokyo University students made up the bulk of the successful applicants, at 508, or more than a quarter of the total.

Although the university's students were prominent among those who qualified for jobs in law, administration, and economics—accounting for 46.7 percent of all qualifiers in those fields—the number of successful Tokyo University applicants was less than 50 percent of the total for the second year in a row.

Of those who passed the test, the overall number of successful female applicants hit a record 232, or 21 more than the previous year. Females made up 12.5 percent of the total, a 2.3 percentage point increase over the previous year.

Of the qualifiers from universities other than Tokyo University, 197 were from Kyoto University, followed by Tokyo Institute of Technology with 101 and Waseda University with 95. Students from private universities, who last year made up a record 18.4 percent of the total, accounted for 17.1 percent this year.

In the foreign ministry's separate examination for career diplomats, the number of successful applicants was 28, two less than last year, including three women. Seventeen of the successful applicants are from Tokyo University, four, including one woman, from Kyoto University, three from Hitotsubashi University, three, including two women, from Keio University, and one from Waseda University. Four are children of currently serving diplomats or foreign ministry personnel.

Perhaps reflecting the notion of added job security during the current economic downturn and public interest in Crown Prince Naruhito's wife Princess Masako, who is a former career diplomat, the number of applicants this year was up some 33 percent over the previous year. Of the 1,016 applicants, 255 were women. Of the applicants, 560 sat for the examination, giving a success rate of one in about 20, compared with last year's rate of one in 13.5.

North Korea

Dailies Warn ROK Against Exercises With U.S.

SK1208050193 Pyongyang KCNA in English 0433 GMT 12 Aug 93

["Grave Challenge to Desire for Peaceful Reunification"—KCNA headline]

[Text] Pyongyang, August 12 (KCNA)—Pyongyang papers today rap the scheme of the South Korean authorities to stage nuclear manoeuvres against the North jointly with foreign forces.

U.S. and South Korean brasshats, taking issue with the "nuclear problem" of the North, announced recently that the "Team Spirit" joint military exercises would be staged next year, too, and the "Ulchi Focus Lens" war game be held from August 17 to 31 this year.

Branding this program of military exercises of the South Korean authorities as a grave challenge to the desire of the fellow countrymen for peace and peaceful reunification, a NODONG SINMUN analyst says:

The "Ulchi Focus Lens" war game the South Korean authorities are going to stage with the United States soon is not a simple war game, but a very dangerous nuclear war exercise against the North, which would drive the situation on the Korean peninsula to a heightened tension.

The South Korean authorities scheme to stage nuclear manoeuvres threatening the dialogue partner after proposing a dialogue to the North on the nuclear problem. This rips off the veil covering the hypocrisy of their proposal for dialogue.

The present rulers of South Korea are casting a chill over the reunification festivities desired by the whole nation by making public the program of military manoeuvres against the North when the pannational rally is on the order of the day.

The South Korean authorities must renounce forthwith the harebrained program of nuclear war games with foreign forces.

Should they dare play the adventurous nuclear war gamble, turning a deaf ear to our warnings, they would have to bear full responsibility for its consequences.

The United States intends to force the nuclear war games codenamed "Ulchi Focus Lens" and "Team Spirit" against the DPRK after promising not to use nuclear weapons nor present nuclear threat to it.

This is obviously an act gravely impairing the idea of the DPRK-USA joint statement. The United States must know that the dangerous play with fire against the DPRK may adversely affect the prospect of its future talks with the DPRK and the solution of the nuclear problem.

A MINJU CHOSON analyst warns that the DPRK will sharply watch the attitude of the South Korean rulers and the United States henceforth and will never tolerate any military provocation threatening it.

Pannational Rally Delegates To Go to Panmunjom

SK1208112193 Pyongyang KCNA in English 1054 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) today sent a telephone message to the South Korean "Minister of the Unification Board."

In the message he urged the South side to allow the opening of the pannational rally (PNR) in Seoul, saying that the "nonpermission" of the PNR cannot be justified with any pretext, being contradictory to national reconciliation and unity and to peace and peaceful reunification.

Recalling that no reply has come yet to the telephone message sent to the South Korean authorities on August 7 in demand of measures for the passage through Panmunjom and gurantee of personal safety of the 300 delegates of the North side who will go to Seoul through Panmunjom on August 13, Paek In-chun said:

We are concerned over the fact that your authorities are scheming to block the fourth PNR at its initial stage, refusing to revoke its "nonpermission."

We once again urge your authorities to permit the opening of the PNR in Seoul and take, without further delay, necessary measures for the Seoul trip of our delegation, lending an ear to the voice of the compatriots.

The North side's delegation to the fourth PNR, as it had already declared, will go to Panmunjom at 10 AM tomorrow (August 13).

Kim Il-song Receives Messages From Foreign Parties

SK1208053793 Pyongyang KCNA in English 0420 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—The great leader President Kim Il-song received messages of greetings from General Secretary Patricio Echegaray and International Secretary Rina Bertaccini of the Central Committee of the Communist Party of Argentina, Peter Persaud, leader of the Amerindian Action Movement of Guyana, Gerald Pereira, general secretary of the National Movement for the Authentic Independence of Guyana, Hasanul Haq Inu, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party, Angel Castro Lavarello, chairman of the National Executive Committee of the Left Revolutionary Union of Peru, Rashed Khan

Menon, general secretary of the Workers' Party of Bangladesh, Hugo Batalha, general secretary of the Party for the Government of the People of Uruguay, Samboram Shrestha, secretary general of the Central Committee of the Nepal Communist League, Riber Seregni, chairman of the Large Front of Uruguay, and Blasco Hugo Fernandes, chairman of the National Guidance Committee of the Democratic Intervention of Portugal, on the occasion of the 40th anniversary of the victory in the fatherland liberation war.

The messages express firm solidarity with the Korean people in the struggle to defend the socialist system and achieve the reunification of the country and the final victory of the Korean revolution.

They wish President Kim Il-song good health and long life.

Kim Chong-il Receives Messages

SK1208054093 Pyongyang KCNA in English 0424 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from Aleksandr Aleksandrovich Moroz, chairman of the Political Council of the Socialist Party of Ukraine, Renan Raffo Munoz, general secretary of the Central Committee [C.C.] of the Peruvian Communist Party, Talal Hafun Ala Mai, general secretary of the People's Unity Party (Unionist) of Jordan, Garib Newaz, President of the Bangladesh People's League, A.F.M. Mahbubul Haq, governor of the C.C., the Socialist Party of Bangladesh and chairman of the Coalition of Five Parties of Bangladesh, and Emile Kibala Bey A. Nsien, national chairman of the Workers' Party of Zaire, on the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

He also received messages from Hervin Chung, chairman of the Caribbean National Movement, and Milud Al Mahdabi, general secretary of the permanent Secretariat of the Progressive Organisation of Socialists in the Mediterranean.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him good health and long life.

They state that they will strengthen friendly and cooperative relations between their bodies and the Workers' Party of Korea.

WPK Secretary Meets Polish Communist Delegation

SK1208072393 Pyongyang KCNA in English 0426 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk Wednesday with the delegation of the Polish League of Communists "Proletariat" led by Chairman of the National Executive Committee of the League Zbigniew Wiktor.

The head of the delegation told Hwang Chang-yop that the delegation was deeply impressed by the celebrations of the 40th anniversary of the Korean people's victory in the great fatherland liberation war and that during its stay in Korea, the delegation could witness how wonderful the socialist system of the DPRK is and what great achievements the Korean people have made in the building of socialism.

The Polish party leader expressed full solidarity with the Workers' Party of Korea in the struggle to defend socialism.

Workers Party Receives Messages From Foreign Parties

SK1208114093 Pyongyang KCNA in English 1004 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—The Central Committee of the Workers' Party of Korea received messages of greetings from Peter Symon, general secretary of the Central Committee of the Socialist Party of Australia, the Central Executive Committee of the Communist Party of the Russian Federation, Josef Zisyadis, president of the Central Committee of the Workers' Party of Switzerland, the Central Committee of the Progressive Party of the Working People of Cyprus and the Political Committee of the National Council of the Democratic Renovation Party of Portugal on the 40th anniversary of the victory of the Korean people in the war.

In his message, Peter Symon says it was a result of the wise leadership of the Workers' Party of Korea that the Korean people could win victory in the fatherland liberation war by displaying a high degree of heroism and self-sacrificing spirit.

In its message the Central Executive Committee of the Communist Party of the Russian Federation says the Korean people under the leadership of the Workers' Party of Korea and Comrade Kim Il-song, an experienced leader, have completely rehabilitated the war-ravaged country and built a powerful industry and modern agriculture, and wished the WPK new success in the building of socialism.

The foreign parties express firm solidarity with the Workers' Party of Korea and the Korean people in the struggle for the peaceful reunification of the country and wished the WPK great success in the building of socialism.

Shandong Province, Shanghai Delegations Depart

SK0608234093 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Aug 93

[Text] The CPC Shandong Provincial friendship delegation headed by (Song Shuji), member of the Standing

Committee of the Shandong Provincial Committee of the CPC and secretary of the [words indistinct], and the CPC Shanghai Municipal Committee friendship delegation headed by (Chen Liangwu), deputy secretary of the Shanghai Municipal Committee of the CPC returned home by plane on 2 August. Functionaries concerned saw the delegations off at the airport.

Acrobatic Troupe Returns From China 10 Aug

SK1208001493 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 10 Aug 93

[Text] The State Pyongyang Acrobatic Troupe led by Hong Chae-sik returned home by train on 10 August after visiting China. Vice Minister of Culture and Art Kim Chong-ho greeted the art troupe at Pyongyang Station.

Military Attaches Visit War Victory Monument 11 Aug

SK1208051493 Pyongyang KCNA in English 0438 GMT 12 Aug 93

[Text] Pyongyang, August 12 (KCNA)—Military attaches of foreign embassies here on August 11 visited the monument to the victory in the fatherland liberation war newly built in Pyongyang on the occasion of the 40th anniversary of the victory in the war.

They went round with keen interest the stone monument inscribed with the autograph of the great leader President Kim Il-song, the stone monument inscribed with a poem, the sculpture of the central theme "victory" and sculptures of subsidiary themes.

At the end of the visit, the military attache of the Chinese embassy who is a doyen of the military attache corps said that the monument which depicts in an artistic canvas the heroic struggle of the People's Army soldiers and people in the past Korean war shows well the victory won by the Korean People's Army and people under the wise guidance of the great leader Generalissimo Kim Il-song.

We, he noted, believe that the Korean people's cause of reunification will surely be accomplished under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The military attache of the Egyptian Embassy said that the monument would more powerfully arouse the young people to the revolutionary struggle, adding that the monument shows well to foreigners, too, how heroically the Korean People's Army and people fought under the great leadership.

KCNA Reviews 12 Aug Pyongyang Press

SK1208053993 Pyongyang KCNA in English 0445 GMT 12 Aug 93

[Press review]

[Text] Pyongyang, August 12 (KCNA)—NODONG SINMUN today carries messages of greetings to the great leader President Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, from foreign party leaders on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war.

The delegations of different countries which had participated in the celebrations of the 40th anniversary of the victory in the war sent letters of thanks to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, says the paper.

Papers report that works of President Kim Il-song were disseminated and studied in various countries, and his reminiscences "With the Century" was introduced by the Senegalese paper LE TEMOIN.

Echoed in the press are the voices of South Korean people highly praising President Kim Il-song and Comrade Kim Chong-il as the lodestar of national reunification and the sun of guidance.

MINJU CHOSON comes out with an article on the loving care and solicitude shown by President Kim Il-song and Comrade Kim Chong-il to Yi In-mo, a veteran of the fatherland liberation war and former war correspondent of the Korean Poeple's Army, in those days of celebrating the 40th anniversary of the war victory.

The paper introduces the free medical care under which the Korean people have no worries about medical treatment.

Papers run commentaries condemning the South Korean authorities for scheming to stage "Ulchi Focus Lens" and "Team Spirit" war rehearsals together with outside forces.

Papers carry articles on the struggle of South Korean public circles to hold with splendour the Fourth Pannational Rally and the Third Grand Reunification Festival of Youth and Students as grand festivals for national unity and the moves of the South Korean authorities to hinder it.

Printed in the press is an account of celebrations abroad on the 40th anniversary of the victory of the Korean people in the fatherland liberation war. The Asian Youth Peace Symposium called for a vigorous movement for solidarity with the Korean youth, says NODONG SINMUN.

Papers run articles exposing the dangerous military tieup between Japan and South Korea.

NODONG SINMUN informs the readers that the Philippine president called for the protection of environment of Asia, an emergency talk was held between the president and the leader of the patriotic forces in South Africa and the Jordanian king expressed optimism over peace in the Middle East.

South Korea

Minister Predicts DPRK Special Inspections by 20 Sep

SK1108032593 Seoul YONHAP in English 0252 GMT 11 Aug 93

[Text] Tokyo, Aug. 11 (YONHAP)—South Korean Deputy Prime Minister Han Wan-sang has predicted that North Korea will undergo special inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA) by Sept. 20, as agreed with the United States in Geneva last month, the YOMIURI SHIMBUN reported on Tuesday.

South Korean businessmen would be allowed to visit North Korea for economic cooperation if special IAEA inspectors were allowed into North Korea, Han told the Japanese newspaper in an interview.

Asked about the resumption of inter-Korean dialogue, he replied that Seoul did not mind the format because the important thing was to discuss how to solve North Korea's nuclear issue.

YOMIURI said this suggested that South Korea was considering accepting North Korea's proposal to exchange special envoys for the resumption of inter-Korean talks, suspended since January.

Han said North Korea's return to the Nuclear Nonproliferation Treaty (NPT), special IAEA inspections and cross nuclear inspections between North and South Korea would completely resolve the nuclear issue, adding that North Korea's return to the NPT was realized in the recent North Korea-U.S. talks. Since Pyongyang had made improved relations with the United States its No. 1 foreign policy goal, it would allow special IAEA inspectors to visit the two nuclear sites in Yongbyon suspected of being part of its nuclear arms development program, he said.

Expressing regret at North Korea's rebuff of a South Korean offer to resume meetings of the Joint Nuclear Control Commission, Han predicted that North Korea would soon sit at the table for inter-Korean dialogue.

Turning to Japan's new coalition cabinet, he said that he was unsure what foreign policy it would pursue because of the many political elements in the cabinet. Japan should shun the new nationalism that calls for building a military power matching Japan's economic power, he said, airing concern about the move to strengthen Japan's Self-Defense Force on the excuse of North Korea's nuclear program.

DPRK Lieutenant Defects Via Third Country

SK1108125493 Seoul YONHAP in English 1238 GMT 11 Aug 93

[Text] Seoul, Aug. 11 (YONHAP)—A North Korean army first lieutenant who escaped North Korea through a third country and asked for asylumn in the South, flew into Seoul on Wednesday afternoon, the Agency for National Security Planning (NSP) reported.

The NSP said 1st Lt. Im Yong-son, age 30, had worked at military construction bureau (engineering unit) of the People's Armed Forces Ministry in the past five years. The NSP said initial questioning of him revealed that after his plan to advance to college was foiled for the reason that his father hailed from South Korea, he prepared leaflets denouncing Kim Il-song and Kim Chong-il and scattered them in the Hamkyong Province area. As he was in the danger of being caught, he escaped North Korea and reached a Southeast Asian country where he contacted South Korean officials, it said.

His families in the North include his mother, two elder brothers and two younger sisters, said the NSP, adding the agency was questioning him to find out more about his defection.

'Source' Cited on DPRK's 'Awesome Firepower'

SK1108085993 Seoul YONHAP in English 0841 GMT 11 Aug 93

[Text] Beijing, Aug. 11 (YONHAP)—North Korea has the capability to fire three missiles for every square kilometer of South Korean territory using an arsenal that includes the 1,000 km-range Nodong-1 intermediate range missile, a Western source said on Wednesday.

Saying he was told of the awesome firepower by North Korean Government and party leaders, he noted that South Korea would have no time to intercept missiles fired at Seoul from Kaesong, just North of the truce village of Panmunjom, in preemptive attacks.

North Korea would not allow a special inspection by the International Atomic Energy Agency (IAEA) of two suspected nuclear sites in Yongbyon unless a breakthrough came in North Korea-U.S. relations, though it appeared progress had been made on the resolution of North Korea's nuclear issue with the visit to North Korea last week by IAEA inspectors, he observed.

If a special inspection was not allowed, the United States and other Western nations would impose "physical sanctions" on North Korea, on top of economic sanctions, and tensions would mount on the Korean peninsula, he said.

He warned that if North Korea judged there was a 51-percent or higher possibility of U.S. exercise of force, it would probably attempt a preemptive attack on South Korea.

Meanwhile, Pyongyang still refuses to issue entry visas to foreigners, except those who have special relations with North Korea. It stopped issuing visas in February, when it declared a state of semi-war as South Korea and the United States started their joint annual defensive military exercise "Team Spirit."

DPRK Delegation Reportedly Visits Russia

SK1108131093 Seoul KBS-1 Television Network in Korean 1235 GMT 11 Aug 93

[Text] It was learned that a high-ranking North Korean delegation visited Moscow secretly and is now discussing the issue of normalizing economic relations between the two countries.

A high-ranking official in the Russian Government said today that a North Korean delegation headed by Kim Chong-u, vice chairman of the North Korean Commission for External Economic Cooperation, arrived in Moscow on 6 August, and is now discussing the pending issues between the two countries.

It is the first occasion since the beginning of this year for North Korea to send a high-level delegation to Russia unofficially.

Discusses Economic Cooperation

SK1208024593 Seoul HANGUK ILBO in Korean 12 Aug 93 p 2

[By reporter Yi Chang-hun]

[Text] Russia and North Korea held economic talks in Moscow on 10 August and discussed economic cooperation between the two countries, including North Korea's repayment of its debt to Russia, investment guarantees, and avoidance of double taxation.

The North Korean delegation led by Kim Chong-u, vice chairman of the North Korean Commission for External Economic Cooperation, met (Mikhail Pradkop), deputy minister of Russian Ministry of Foreign Economic Relations, on the same day and hinted that North Korea intends to pay its debt of approximately 3 billion rubles to Russia in goods.

During the talks, North Korea asked Russia to continue with construction of a thermal power plant in Pyongyang that was initiated by the former USSR and to participate in the development of special economic zones, like the two ports of Najin and Sangbong. Also, the two sides discussed plans to send North Korean workers to lumberyards in the Russian far east.

NAEWOE Notes Absence of DPRK Vice President Yi

SK1208044893 Seoul KBS-1 Radio Network in Korean 0405 GMT 12 Aug 93

[Text] According to NAEWOE News Agency, North Korean Vice President Yi Chong-ok has not appeared at official meetings for nearly a month since he attended a preview of the multipart films "Nations and Glory" and "The Nation and Destiny" on 15 July. This is very significant.

As of early June this year, Yi Chong-ok had attended official meetings on 31 occasions as companion to Kim Il-song's tours and to various festivals. Also, until last month, he was energetically conducting his duties by visiting a total of 11 nations on three occasions as President Kim Il-song's special envoy.

Ministry Decision on U.S. Flour Criticized

SK1208072293 Seoul HANGUK ILBO in Korean 12 Aug 93 p 22

[Text] Following five assays at reinspection, the Ministry of Health and Social Affairs has officially approved the use of imported U.S. flour, which was judged to be inedible for its excessive retention of agricultural chemicals—132 times the permissible level—as food fit for domestic animals. Accordingly, the ministry is expected to receive dozens of requests to reinspect other imported foodstuffs which have been judged inedible. This will cause great confusion in the food imports inspection system (reported on p. 23 of the 8 August morning edition of HANGUK ILBO).

On 11 August, the Ministry of Health and Social Affairs granted four flour mill companies in Pusan, including Taesong and Yongnam Flour Mills, official permission to sell 10,900 tons of imported U.S. flour which had been judged to be inedible, as food fit for domestic animals.

This is the first time the ministry has approved the use of inedible imported grain as animal feed. At present, 60,000 food items are imported per year. By current regulations, when an imported food item is judged to be inedible, it must be disposed of entirely, or returned to the exporting country. In the future, however, many importers will probably file administrative lawsuits requesting reinspection or change of use for their imported food items when the items are judged inedible. This will cause great confusion in the food imports inspection system.

In addition, because the government cut the storage charges for the imported U.S. flour that exceed 1 billion won by 712 million won, many other importers are expected to ask for the same special benefits. Related officials worry about the depletion of the national treasury by this.

There is additional concern that a sharp rise in requests for reinspection and change in usage of foodstuff judged to be inedible will impede employees at quarantine stations from conducting their regular duties.

Meanwhile, 34 environmental organizations—including the Citizens' Association for the Study of Consumer's Issues, the Environmental Movement Federation, and the Catholic Farmers' Association—recently inaugurated a citizen's group to identify and prevent the use of carcinogenic chemicals and they strongly oppose the ministry's decision to approve the change in usage of the imported U.S. flour.

These organizations denounced the Ministry of Health and Social Affairs by saying: "The Ministry of Health

and Social Affairs inspected the U.S. flour several times and approved of its usage as feed under pressure from the United States and from lobbyists of domestic flour mill companies. This incident has created a tumult in the system of imported food inspection which is important to public health."

Relations With Mozambique Normalized 11 Aug

SK1208004593 Seoul YONHAP in English 0039 GMT 12 Aug 93

[Text] Seoul, Aug. 12 (YONHAP)—South Korea normalized relations with Mozambique at the United Nations on Wednesday, the Foreign Ministry announced Thursday. Ambassadors Yu Chong-ha of South Korea and Pedro Afonso of Mozambique signed the protocol after negotiations initiated by the African country, the ministry said.

Seoul now has full diplomatic relations with 174 countries. Mozambique also has normalized ties with North Korea.

Taiwan Examining Tariffs on ROK Steel Products

SK1208013993 Seoul THE KOREA HERALD in English 12 Aug 93 p 8

[Text] Despite recently agreeing with Korea to set up unofficial ties, Taiwan has been intensifying an investigation to determine whether to impose antidumping tariffs on imports from Korea, especially steel products, the Korea Iron and Steel Association (KOSA) said yesterday.

Taiwan has launched antidumping offensives against 11 products from Korea since last August when the Seoul government severed its diplomatic ties with the island for setting up relations with the Beijing government, business sources said.

"Such strong antidumping suits are intended to retaliate against Seoul in that Taiwan has filed antidumping suits against only nine products from Japan and four from the United States, respectively, though they enjoy a greater stake in the Taiwanese market than South Korea," said Yun Yong-sop, a KOSA official.

Since May, Taiwan's Finance Ministry has been investigating antidumping complaints filed by the island's state-run China Steel Corp. against two kinds of Korean-made steel products, cold-rolled steel sheets and plates, he said.

"The probes are expected to finish by October but Taiwan might impose punitive tariffs before then if the island finds initial evidence of dumping," Yun said. But he declined to forecast how large any such tariffs might be.

As a result, he went on, South Korea's Tongguk Steel Mill Co., Pohang Iron & Steel Co. and Union Steel Manufacturing Co. are maneuvering to stave off dumping charges.

Dumping is the selling of goods in a foreign country below cost to win market share or pressure competitors.

Yun quoted Taiwanese officials as saying that they will take a harsher line in trade disputes with South Korea after Seoul switched diplomatic recognition to Beijing from Taipei last August.

In the meantime, Taiwan's steel producers planned to file an antidumping suit against imports of galvanized pipe and tube from Korea but abandoned the effort after Korean businesses manufacturing the product promised to limit exports, Yun said.

Maritime Talks To Take Place in Beijing 23-24 Aug

SK1208082393 Seoul YONHAP in English 0759 GMT 12 Aug 93

[Text] Seoul, Aug. 12 (YONHAP)—South Korea and China will meet in Beijing for two days from Aug. 23 for their first maritime talks, the Korea Maritime and Port Administration (KMPA) said Thursday. Heading the six-man delegation from Seoul will be administrator Yom Tae-sop and Chinese Communications Vice Minister Liu Songjin will lead a team of eight from his country, KMPA officials said.

The two countries will discuss advancing the date of opening car ferry routes between Inchon and Dalian, Pusan and Shanghai, and Pusan and Yantai, which is included in the bilateral maritime agreement signed in May, in addition to allowing more containership trips.

As a result of increased two-way trade since Seoul-Beijing normalization a year earlier, the two countries are said to be in desperate need of more shipping operation. But reaching an agreement has been difficult as Korea says it cannot accept China's proposal of totally free sailing unless free business of Korean shipping companies is guaranteed in China, the officials said.

Yom is expected to ask Beijing to either to guarantee Korea free shipping business or increase sailings of freighters on a joint venture system. Currently, two shipowners have car ferries on three routes, while two joint-venture companies and a Hong Kong firm run containerships on nine routes.

President Orders Real-Name Transaction System

SK1208114793 Seoul KBS-1 Television Network in Korean 1048 GMT 12 Aug 93

["Special announcement" by President Kim Yong-sam on the introduction of the real-name financial transaction system, issued at Chongwadae in Seoul—live]

[Text] At this moment, with a solemn mind, I announce an emergency financial and economic order on the real-name financial transaction and the guarantee for its confidentiality based on the provision of Paragraph 1 of Article 76 of the Constitution. Also, pursuant to the provision of Paragraph 3 of Article 47 of the Constitution, I request the convocation of a special National Assembly session to deliberate and approve the presidential emergency financial and economic order.

In view of the consensus of our people for the real-name financial transaction system and their strong ardent desire for reform, I have no doubt that the National Assemblymen will approve it with overwhelming support.

My dear fellow countrymen: At last, we implement the real-name financial transaction system. Effective immediately, all financial transaction will be made only in real name. Unless the real-name financial transaction system is implemented, we can not block the irregularities and corruption in this land at their source. We can not cut the black ties between politics and the economy at the very foundation.

Without the settlement of the real-name financial transaction system, we cannot realize the true justice of distribution in this land, nor can we establish morality in our society.

Without the real-name financial transaction system, we cannot bring into bloom either sound democracy or the capitalism full of vitality.

Without conducting the real-name financial transaction system, we cannot realize political and economic development. The real-name financial transaction system is a more important institutional reform than anything else for the construction of new Korea. The real-name financial transaction system is not only the reform of reforms, but also key and basic condition of reform in our age.

Respected fellow countrymen:

Indeed, we have been forced to spend long days until the introduction of the deposit system through one's own name. The past regimes had promised to conduct the real-name financial transaction system. Even though they had enacted laws for the real-name financial transaction system they did not implement it. The real-name financial transaction system had not be realized even in the days of the National Assembly featuring a minority ruling party and large opposition party forces.

As days have passed, conducting the real-name financial transaction system has become more difficult.

I have deeply felt the need for the real-name financial transaction system. I promised to the people to conduct the real-name financial transaction system during the presidential election campaigns last year. After I took office, I have resolved to conduct the real-name financial transaction system as soon as possible. I have ordered relevant ministers to make all preparations for the real-name financial transaction system. I have deeply reviewed the date and method of the real-name financial transaction system. Then, I have found that the law on the real-name financial transaction system decreases the real meaning and efficiency of the real-name financial transaction system.

However, I cannot revise the law through opening discussions at the National Assembly because of expected great adverse effects. We have watched that whenever implementing the real-name financial transaction system is discussed, unrest in the financial markets results and economic stability is threatened.

After deep thought, I am now forced to issue the presidential emergency financial and economic order on the real-name financial transaction system, instead of using the law-revision procedure in the National Assembly. The emergency financial and economic order on the real-name financial transaction system nominally and virtually reflects the fellow countrymen's desire for the real-name financial transaction system.

I believe that the fellow countrymen and lawmakers will deeply understand my true heart of being forced to conduct the real-name financial transaction system today through the presidential emergency financial and economic order.

Respected fellow countrymen:

The real-name financial transaction system will have no effect upon the people who live sincerely and honestly. In addition, the real-name financial transaction system will have no effect upon the great majority of the people who have been normally engaged in financial transactions using their real names. Those who have not used their real names in financial transactions must change into their real name within a fixed period. The general revenue tax system on financial revenues will be conducted as soon as the computer network system of the Office of National Tax Administration is completed.

However, the system of levying taxes upon capital gains of stocks will not be conducted within my term in view of the condition of the stock markets. I will greatly strengthen procedures to thoroughly guarantee confidentiality. I will take a step so that the real-name financial transaction system will not encroach upon private life and will not have a bad effect upon free economic activities.

The source of operation funds may be questioned about the financial assets, which will be changed into real names. However, its purpose will lie not in investigating irregularities but in levying taxes upon them.

Nonetheless, some adverse effects, including unrest in financial transactions, may take place in conducting the emergency financial and economic order.

To put into practice the new Five-Year Economic Plan and to promote brisk economic activities, the government is taking all measures against expected adverse effects.

We will operate the system to stop real estate speculations and prevent the funds from flowing overseas. We will cope with the aggravation of the financing of the small and medium industries by providing them with special emergency assistance. We will establish and operate an extraordinary ad hoc team at the Bank of Korea to stabilize the financial market. My dear fellow countrymen: The emergency presidential financial and economic order for the implementation of the real name financial transaction system is an essential systematic reform to move toward a clean society. The underground economy will disappear and so will black money. If the real-name financial transaction system settles, all the people—including politicians, businessmen, and government officials—will feel unashamed and justice about their wealth. Clean wealth will now be the object of pride rather than shame. If all the people work hard with perspiration, they will vividly feel the society which rewards them in proportion to their work.

The real-name financial transaction system is the pass we must cross over to achieve the new Korea. The systematic reform must be accompanied by pain. We must, however, overcome the pain with patience and patriotic passion. From now on, I, together with the people and the National Assemblymen, will push ahead wisely with the task of our times called the real name financial transaction system. I ask the people and the National Assemblymen to actively cooperate for it with a resolve to save the country with this historic systematic reform.

Let us all become the main force of reform, and our reform will succeed without fail. For this reason, I, as president, demand that, based on Paragraph 3, Article 47 of the Constitution, an extradordinary session of the National Assembly be held for five days beginning on 16 August 1993.

Thank you very much.

77 Officials Resign Prior to Assets Disclosure

SK1208015893 Seoul YONHAP in English 0127 GMT 12 Aug 93

[Text] Seoul, Aug. 12 (YONHAP)—Seventy-seven public officials chose to quit rather than reveal their private assets, the final tally showed Thursday.

In what is likely to turn into a second-round morals trial, 70 government officials and seven officials of government-affiliated organizations have resigned, apparently to evade public scorn for the size of their fortunes. Thirty-one of the 77 were from the office of National Tax Administration and 19 were from the prosecution. Four were from the National Police Administration, three from the customs administration, and two each from foreign and justice ministries.

By the 6 PM deadline Wednesday, 246 people had filed for an extension on asset registration, 15 of them were people whose property holdings would have been made public.

Judicial, Military Branches Affected

SK1208042693 Seoul YONHAP in English 0229 GMT 12 Aug 93

[By Cho Se-hyon]

[Text] Seoul, Aug. 12 (YONHAP)—The registration of personal assets by public officials closed Wednesday and public interest was riveted Thursday on the nation's judicial and military leaders, who are disclosing their worth for the first time.

It had been almost common knowledge that high court judges and prosecutors were rich, but they refused to disclose their personal assets when they were urged to do so voluntarily following the example set by President Kim Yong-sam. Their rationale was that, as lawyers, they could not be forced to make public their personal worth without a legal basis.

The National Assembly has since adopted legislation and made it into law, requiring all ranking public officials to disclose their assets.

Running out of excuses, most officials of the judicial branch of government had also registered their assets by Wednesday. Some 2,584 out of the 2,607 judicial officials required to register met the deadline. Twenty-two officials who were studying abroad and one whose mother died recently had asked for a delay for registration.

Of them, 1,147 were judges and the rest were ordinary judicial officials.

Those who are required to publicly disclose their registered assets are 102 senior judges at high courts and one grade-one official. By jobs, there were 14 justices of the Supreme Court, who are the same rank as cabinet ministers, 88 heads of district courts, who are on vice ministerial rank, and one ordinary official of the first grade. The Supreme Court has scheduled a meeting next Monday and Tuesday to decide when to disclose their assets.

Nevertheless, it has been reported that out of the 103 officials who are required to disclose their assets, at least 35 are worth more than 1 billion won.

"They have been working their way up from the bottom all the way to the vice ministerial level over more than 20 years," some judicial officials point out. "It is natural for them, therefore, to accumulate wealth of that size."

At least three high-ranking officials, including the chief justice of the Supreme Court, were said to have registered assets totaling more than 2 billion won.

One senior high court judge and one head of a district court have reported assets of more than 7 billion won.

The judicial branch of government agrees with the principle behind the disclosure of personal assets by public servants, but many officials express concern that the branch itself might suffer a crippling setback in its image if some serious problems crop up in the process of disclosure.

Over at the military, many low-ranking officers were said to be watching with interest how much assets their superior officers had accumulated.

Many concerned officers were said to have given a sigh of relief when they were told that there was none among the nine four-star generals who reported more than 1 billion won in assets.

"There had been a prevailing idea among the general public that some high-ranking military officers must have amassed wealth illegally," admits one officer.

"It is understandable because there actually had been a number of former generals or general-turned-politicians recently who were found to possess huge fortunes built through a corrupt manner and were prosecuted for them," he said.

Many officers welcomed the asset registration and disclosure because they would help prove that a majority of them were living a life that was far from the public's mistaken image, he added.

Aside from the general concern, an acute interest seems to have developed over who has more money among the chiefs of the three branches of the armed forces.

Gen. Kim Tong-chin, Army Chief of Staff, is said to have put his assets at 700 million won while Gen. Cho Kun-hae, Air Force Chief of Staff, at 460 million won and Adm. Kim Hong-yol, Chief of Naval Operations, at 110 million won.

As a result, aides and other Army officials were worried that their chief might appear far richer than his Navy and Air Force counterparts, whereas Navy officers seem to be proud that their boss is somehow cleaner and more frugal, and thus more admirable than the others.

Cool Weather Likely To Affect Rice Crop

SK0708073693 Seoul YONHAP in English 0638 GMT 7 Aug 93

[Text] Seoul, Aug. 7 (YONHAP)—Unusually low temperatures this summer could reduce South Korea's rice crop as much as 22 percent or 8 million som (41 million U.S. bushels) below normal levels. Rural Development Administrator Yi Pan-sok reported Saturday to Agriculture, Forestry and Fisheries Minister Ho Sin-haeng that damage to crops from blight caused by the cool weather were likely to make the smallest harvest in 13 years at 28.5 million som. In 1980, the rice harvest was less than 24 million som due to low summer temperatures.

In Cholla Province, South Korea's granary, average daytime temperatures in July were 2.5 degrees below normal at 23.9 degrees celsius. Sunshine averaged 3.9 hours a day compared to the average of 6.2 hours in normal years.

The rice blight had infested three times as much of the crop as last year, Yi told Ho.

As of Aug. 5, the rice harvest is estimated at 5.8 percent below this year's goal, or a loss to farmers of 537.5 million U.S. dollars, and if the cold weather continues until early September the harvest would be down 22 percent, costing farmers 1,250 million dollars.

Government Expects 'Average' Harvest

SK1108120693 Seoul YONHAP in English 1057 GMT 11 Aug 93

[Text] Seoul, Aug. 11 (YONHAP)—Weather permitting, this year's rice harvest would reach the average of the recent years excepting some cool mountainous areas, the Rural Development Administration reported on Wednesday. It said the normal amount of rice production could be attained if warm temperature of more than 20 degrees in Celsius continues and there would be enough sun shine for a while.

Last weekend, agricultural authorities said cool weather this summer cost 2 million sok of rice or about 6 pecent of the year's rice production goal.

An official at the Rural Development Administration said cool-weather damage to rice is no longer feared. He said he bases the optimism on the weather forecast that recent Typhoon Robyn has driven away the cool Okhotsk Sea high pressure front and the normal hot temperature would continue at least until Aug. 16. The cool weather that began on July 17, he said, has only delayed the time of rice earing by one to five days depending on areas and rice hybrids.

"The only concern at this moment is that many cool and cloudy days this summer may cause an usually heavy damage by blight and harmful insects," he added.

Committee for High-Speed Railway Project Set Up

SK1108035093 Seoul YONHAP in English 0126 GMT 11 Aug 93

[Text] Seoul, Aug. 11 (YONHAP)—The government is to inaugurate a high-speed railway technology committee this month to ensure the attainment of designing, manufacturing, and testing skills of the train technology

from the foreign bidder in the Seoul-Pusan railway project, Transportation Ministry officials said Wednesday.

Experts from the Korea High-Speed Railway construction authority (KHSR) are now studying the final proposals from Gec-Alsthom of France and Siemens Ag of Germany for a decision that could determine a winner of the two-track race by the end of this month. The two will have priority in negotiating the contract to build the multibillion-won Seoul-Pusan high-speed railway for a finish in 2001 after the screening.

Although Korea's present concern is transfer of train operating and rolling stock manufacturing technology, it has to make efforts to attain the fundamental design skill as well for it to develop its own advanced train system, the ministry officials said. The government therefore decided to put KHSR and the Korean National Railroad in charge of construction and maintenance, while inaugurating a committee among technology and telecommunications research institutes and related state agencies to offer private companies the means of acquiring the advanced design technology.

The committee will be headed by the vice transportation minister and comprise directors-general from the Economic Planning Board and the Trade, Industry and Energy, Science and Technology, and Communications Ministries, and representatives of research institutes. It will launch the committee into full operation regardless of the date of the final choice of trainset.

Although KHSR said the sixth proposals from the two European bidders would be final, there still remained a possibility of another run if the standards in prices, technology transfer, and localization don't satisfy the authority.

KHSR has scrutinized the offers of the two European bidders in price, technology, technology development, and maintenance, which break down to 302 items. It chooses a company to have priority in negotiating the multi-billion-dollar contract as a result and picks a final winner by the end of the year at the latest, the sources said.

They predicted the announcement of the recent screening by Aug. 20 at the latest, hinting that Korea's choice for the rolling stock would be decided unofficially sometime next week.

The winner will have to deliver two trainsets by 1997, when the Chonan-Taejon test track becomes ready, and supply 12 trains by the end of 1999 for the first opening between Seoul and Taejon. For the complete opening by December 2001, it has to manufacture and deliver 31 trains, at the same time make sure 50 percent of them are localized.

Korea has looked into France's TGV (Train a Grande Vitesse), Germany's ICE (Inter-City Express) and Japan's Shinkansen since January 1992 and after five sessions of screening, it dropped Japan off the race in a conviction that it failed to meet standards in price, technology transfer, and localization.

KHSR officials, who explain that they had to go through a series of negotiations because the contenders drove a hard bargain, said the July proposals from the European bidders had much improved.

Seoul To Award Contract by 20 Aug

SK1208080193 Seoul YONHAP in English 0649 GMT 12 Aug 93

[Text] Seoul, Aug. 12 (YONHAP)—South Korea's choice of trainset for the Seoul-Pusan high-speed railway is expected to be revealed soon.

The Korea High-Speed Railway Construction Authority (KHSR) has finished an almost month-long screening of the sixth proposals made by Gec-Alsthom of France and Siemens AG of Germany and is waiting for a signature, inside sources said Thursday.

North Koreans Invited to Seoul Poets Conference

SK1208081493 Seoul YONHAP in English 0750 GMT 12 Aug 93

[Text] Seoul, Aug. 12 (YONHAP)—Six North Korean poets have been invited to the Seoul Asian Poets Conference to open Aug. 20. The organizing committee had recently sent formal letters of invitation to Pyongyang's Korean Writers Union through the North Korean Embassy in Beijing in its bid to get Cno Pyok-am and five other North Korean poets to attend the conference, a committee spokesmen said Thursday.

The seventh conference will be attended by some 300 poets from 10 regional countries such as Japan, China, Taiwan, Australia, the Philippines and South Korea. The conference is to review the issues of environmental protection and human life through the perspective of poetry.

Burma

9-12 Aug Proceedings of National Convention

National League for Democracy Reports

BK1108071793 Rangoon Burma Television Network in Burmese 1530 GMT 10 Aug 93

["Excerpts" of the combined report prepared by representatives of the National League for Democracy and U Hla Maung, independent from Kya-in Seikkyi Constituency-1 but elected originally as a candidate from the Patriotic Old Comrades League, at the plenary session of the National Convention held at the President's House compound in Rangoon on 9 August; report read in five parts by U Hla Kyi, U Myint Thein, U Aung Myint, U Tun Myaing, and Daw Win Myint—recorded]

[Text] [U Hla Kyi] Mr. Chairman: I shall read the report prepared by the representatives of the National League for Democracy [NLD] and U Hla Maung, independent from Kya-in Seikkyi constituency-1, Karen State. The report contains their suggestions regarding the chapter headings for the fundamental principles of state for drafting the state constitution.

Mr. Chairman, members of the Panel of Chairmen, members of the National Convention Convening Commission [NCCC] and the National Convention Convening Work Committee [NCCWC], and convention delegates: I extend my greetings for auspiciousness with metta [compassion] for your well-being. I am U Hla Kyi, elected representative of the NLD from Bassein East Constituency-1, Irrawaddy Division. Along with myself, parts of this report will be read by U Myint Thein, elected representative from Magwe Divison's Chauk Constituency-1; U Aung Myint, elected representative from Pegu Divison's Letpadan Constituency-1; U Tun Myaing, elected representative from Sagaing Division's Wetlet Township Constituency- 1; and Daw Win Myint, Yangon [Rangoon] Division's Mayangon Constituency-2.

I shall give constructive suggestions in the course of the discussion on the fundamental principles of the state. The discussions will include extracts from the work by leading political scientists written in English. I would like to beg your pardon in advance for this presentation, which should be given serious consideration and thought.

Mr. Chairman: The NLD had studied in depth the speeches delivered by the chairmen of the NCCC and the NCCWC at the plenary session of the National Convention on 7 June 1993. It will be necessary for us to seriously consider the ways and means to create a good foundation for the emergence of a genuine democracy mentioned in the speech by the chairman of the NCCC. We take into serious consideration the suggestion that it will be necessary to give priority to national politics when in the issue of national politics versus party politics arises, it is necessary to give priority to national politics. The fundamental principles, which are to be prescribed after deliberation and consultation, are for drafting the state constitution. The nation is to be constructed and the interests of the nation and the citizens are to be served in accordance with the provisions contained in the state constitution. Hence, we unreservedly believe that this issue of the constitution is not related to party politics, but a task concerning national politics. The NLD has declared this said policy for a long time.

Furthermore, we take note of the NCCWC chairman's speech in which he said that the fundamental principles to be enshrined in the state constitution are those which the state, as well as the citizens, are to adhere to interminably and that those principles will be instrumental in promoting the long-term welfare of the state and its citizens. As such, they are as important as life itself. The NLD, upholding this position, shall present its suggestions with goodwill in order to prescribe principles which would genuinely serve the interests of the nation, citizens, and national races; consolidate national unity; and enable the people to enjoy the basic and democratic rights they cherish.

Prescribing the fundamental principles of the state for drafting the state constitution is like laying the foundation for a building and erecting the main pillar. Therefore, the NLD shall give special attention to presenting its suggestions for the fundamental principles of the state. Minute attention must be paid to details when laying the foundation of a building. Likewise, we shall present an extensive discussion in order to provide the necessary data on the fundamental principles.

The fundamental principles of the state constitute the principles upon which national construction, performance of state affairs, and national political tasks should be based. Only after these fundamental principles are laid down can the remaining chapters of the constitution be written. A tree will be strong only if its roots are strong. The fundamental principles of the state, which are like the roots, should be oriented toward the emergence of a state constitution which is like a tree and which would promote democratic practices. And when the constitution is drafted, it should be based upon these fundamental principles; the state is to be structured and administered and public affairs will be performed according to constitutional provisions. Therefore, the state constitution could be described as a charter, which (?represents) the entire people.

Hence, the chapter on the fundamental principles of the state is very important. This chapter should be complete in form—correct and beneficial. Because of the chapter's importance, the NLD, taking into consideration the interests of the nation and the people or the national cause, will give its suggestions objectively, constructively, and seriously. It shall also present its constructive suggestions openly and clearly.

[U Myint Thein] On democracy, Dr. Maung Maung wrote in his book, "Constitution of Our Union of

Burma": The people in a democratic state have to constantly safeguard their rights and powers. They must not be in a state of stupor. Those who are in a state of stupor can be caught by surprise and come under the control of political parties, which accept and practice dictatorship, but use ideologies which are beautiful in appearance. Democracy is not a mere political term, but constitutes the lifestyle, thought, and practice of the people. Democracy cannot be obtained just by preaching; it can be obtained through practice.

Democracy is not a gem that falls from the sky; nor is it a gem given by a person. It is life created by the people themselves. Therefore, we the people in Burma are giving life to democracy by writing a constitution, which gives life to a democratic system and which is entrusted to us by ourselves.

Therefore, the decision of the people is the most important factor. It is clear that sovereign power belongs to the people.

Mr. Chairman: The historical background of the country until the time of the drafting of the constitution; the concrete conditions of the country; positive and negative ramifications—both past and present—of political conditions, economic conditions, social conditions, culture, customs, traditions, and environmental factors; and prevailing thought and outlook are thoroughly discussed and scrutinized when a constitution is drafted in any country. Great caution is taken in drafting a constitution to draw lessons from the country's history and to ensure that the constitution serves the people's interests.

The Constitution shall not contain a seed of its own destruction. [preceding sentence read in English] Furthermore, one of the objectives of the constitution is to prescribe the system of checks and balances. [preceding three words given in English] Care should be taken in drafting the state constitution to include restrictions to ensure that the constitution is in harmony with the political, economic, and social life in the country; that the character of the constitution is as complete as possible; and to mention that the duties and discipline to be observed by the people and how the government should be administered.

Regarding the character of the state constitution, it is especially important that the terms used in the constitution are grand and dignified because the constitution is the life of the nation.

[U Aung Myint] Mr. Chairman: The NLD shall present its suggestions in the family style of resolving issues in the own interests of the family. We shall take an objective stance without prejudice, but with compassion. The NLD shall uphold its seven-point policy in working for the successful drafting of the state constituion. The seven-point policy of the NLD is:

1. Openess and sincerity and mutual respect and observance [apyan ahlan layzar laiknarye];
2. National reconciliation which, in fact, is national unity. We have fully presented this matter in our report;
3. Use of peaceful and smooth methods;
4. General harmony;
5. Mutual respect [apyan ahlan layzarye];
6. Mutual cooperation; and
7. Mutual understanding.

I will now present the fundamental principles by which citizens have the right to sue in court under the constitution. These fundamental principles are:

1. Sovereign power of the state lies with the citizens;
2. The highest organ of state shall be formed in order to exercise the sovereign powers of the state; this organ shall be composed only of people's representatives elected freely and fairly by the people;
3. Only the highest organ of state shall manage and distribute the three major powers of the state—legislative, executive, and judicial powers—in accordance with the constitutional provisions;
4. Multiparty democratic system must be practiced in the country;
5. Since multiparty democratic system is practiced in the country, this sovereign organ, which is the highest organ in the state, shall be composed only of people's representatives elected by the people. This highest organ of state shall be called Hluttaw [Parliament]. Parliament is supreme. [preceding three words in English];
6. There shall be no state organizations or machinery that are independent or free from the supervision of the Parliament, the highest organ of state;
7. The state must be a democratic state that regards and respects the democratic rights of the people;
8. The national administrative system shall be based on democracy;
9. In order to prevent the reemergence of the one-party system, which opposes the wishes of the majority of the general public and destroys the multiparty democratic system, this constitution shall prohibit any propagation, organization, or movement leading toward the development of a one-party system;
10. A policy of openness respected by the people shall be practiced in the legislature, administration, and judiciary. This practice of openness is a normal practice in the conduct of relations between the state government and the people;
11. The national economic system is based on market economy;
12. Myanmar [Burma] is a place where nationalities reside; for generations, there have been states and divisions. The Union of Myanmar to be formed shall be a union composed of states and divisions. The state shall take measures to ensure there is national unity, equality, enjoyment of rights proportionate to physical and mental application and zeal, amity, respect, and assistance;
13. All national races who are members of the Union family, sharing the same land and water, shall enjoy equal status and live together through weal and woe in eternal unity without harboring suspicion. In accordance

with the constitutional provisions, all member states of the Union shall have the following:

A. Right to self-administration;

B. All laws enacted by the states shall be in accordance with the provisions of the state constitution. If a law enacted by a state is detrimental to the interests of the Union, the Parliament shall have the right to review;

14. If bills affecting the states are submitted to Parliament, the bill can be passed by Parliament only with 75 percent or more of the votes of all members of parliament from the state concerned;

15. The state is a union composed of national races—such as Kachin, Kayah, Karen, Chin, Bamah, Mon, Rakhine, and Shan—who are equal in status. There shall be absolutely no domination, extortion, discrimination, commitment of unlawful acts, or exploitation of one race over another race or within the same race. They shall enjoy the fruits of the nation according to their respective mental and physical capability, zeal, and ability.

16. In accordance with the constitution, the national races shall have freedom of religion and the right to nurture, safeguard, speak, write, and use their languages, literature and culture, and traditions provided they do not affect others.

17. Every citizen is equal in the eyes of the law. Nobody shall be above the law. The law should not be different for different people. There shall be freedom of judgment. There shall be a right to express one's grievances and the right to sue. No laws, bylaws, orders, or declarations shall be retroactive. Without prior approval from a court, no citizen shall be held in custody for more than 24 hours. No one shall be considered guilty unless convicted by the court. No investigation or punishment shall be given to derogate one's dignity. No one shall be convicted of the same crime more than once. Moreover, even if one has been convicted, one's dignity shall not be derogated.

18. Election period shall be prescribed and elections shall be held accordingly. Elections shall be in accordance with democratic principles.

19. Citizens, by law, shall have the right to vote and elect people's representatives and shall have the right to stand for election. They shall legally have the right of recall [proceeding three words in English] of any elected representatives from any level.

20. The state is the sole owner of the natural resources on land, in the sea, and in the air, and owns all land.

21. The state is still an agriculture-based country and shall assist the development of agriculture from all sides. If situations permit, the state shall implement the emergence of a mechanized agriculture system and industrial development.

22. Peasants and workers are the basic forces of the state. The state shall support their activities for development and defend their rights. Organizations, clear of party politics and truly representing the peasant and worker class, shall be formed and shall have the legal right to present their rights.

23. Technocrats, intelligentsia, traders, and entrepreneurs are also working for the country's benefit. Support and assistance shall be provided for the development of their activities and their rights shall be defended. Their inventions and works shall also be recognized. Organizations, clear of party politics and truly representing the class of people, shall be formed and shall have the legal right to present their rights.

24. Youth are the state's future leaders and productive forces. The state shall recognize the part played by the youth and shall train and nurture their development for them to be able to serve the country's responsibilities. They shall have the right to form youth organizations clear of party politics.

25. Females shall have equal rights with males. As is the nature of women, they shall have other separate legal benefits. They shall have the right to form an organization clear of party politics.

26. Public service personnel carry out the implementation of benefits of the state and its citizens. Laws and procedures shall be provided to grant full safety of career [proceeding three words in English] to public service personnel. They shall have the right to present their rights in a way clear of party politics. Public service personnel shall be for the people but the people shall not be for public service personnel.

27. The state shall have good relations with the countries of the world, especially good neighborliness in relations with neighboring countries. The state shall cooperate for mutual benefit with international organizations, groups, and regional organizations. Since no country practicing isolationism can stay isolated in the present era, any activity of mutual benefit will be coordinated mutually. Always stand for right in the world's problems. The state will firmly practice the five principles of peaceful coexistence: 1) Respect for the sovereignty and territorial integrity of all nations; 2) Refraining from acts of aggression by one country against another; 3) Abstention from intervention of interference in the internal affairs of another country; 4) Recognition of the equality of all nations and mutual benefit; 5) Supporting peaceful relations between nations although foreign policies differ. The state will adhere to the United Nations Charter and respect the International Declaration of Human Rights.

28. The Myanmar [Burmese] armed forces, which are the people's armed forces, are engaging in safeguarding, in accordance with democratic principles, independence, the non-disintegration of the union, the non-disintegration of national solidarity, and the security and defense of the country. The state shall be responsible for the armed forces, in accordance with the country's abilities and strategy, to be a reliable and modern people's armed forces. The rights of armed forces personnel shall be guaranteed by law. The state shall take care of the families of personnel killed in action and disabled soldiers. The armed forces are an armed organization representing the people since they are formed with all national races from all strata of life. That is why the armed forces, which are standing tall, shall be the guardians of the constitution and the defenders of sovereignty.

29. The state, according to its needs, shall draw plans for research. It shall cooperate with international research organizations in accordance with its foreign policy.

30. Systematic planning and implementation shall be done for natural environment protection—especially for forests, topsoil, watershed areas, and water resources.
31. The Burmese language shall be the official language.
32. There shall be freedom of religious belief and freedom to practice any religion. The state recognizes the Buddhist religion as (?a great religion) practiced by the majority of the people. Although there is freedom to practice any religion, religion and politics shall not be intermingled.
33. The state shall prescribe the implementation and emergence of an effective education system with compulsory primary school education. The state shall have a better and more effective measure for true improvement in the primary education system. Moreover, an optional national race language shall be taught in schools apart from the Burmese language.
34. The constitution is the highest law of the country and no law shall surpass it.
35. Every people's representative elected to a (?ministerial level position) shall report back to the electorate and also get their wishes.

[U Tun Myaing] Mr. Chairman: I will discuss the second part concerning the basic principles of state. These principles shall be considered in the legislature, administrative, and judiciary. But in implementing these principles, there shall be no right of prosecution in any court. The basic principles are as below:

1. At present we are trying to build a multiparty democratic state. It is true that there is a need for political stability in constructing a multiparty democratic state.

a. To have political stability there should be social and economic stability and signs of development. To have social stability in Myanmar, all national races should be basically united. To have economical stability there should be a market-oriented economic system.

b. For a better social and economic situation the main need is to have the capital and technology.

c. To possess the capital and technology, a true democracy and a market-oriented economic system must flourish.

d. The capital and technology can flourish only under a democratic system, especially under the administration of governments based on the wishes of the people. Capital and technology do not grow instantaneously but instead grow steadily as the democratic system grows and the market-oriented economy develops. As capital and technology develop the democratic system also flourishes. In other words, for the capital and technology to develop the democratic system must also develop, and for the democratic system to develop the capital and technology is a sure need.

2. Build a democratic state based on a multiparty system with full political, economical, and social democratic rights and basic human rights.
3. In relations with foreign countries, the state shall protect the citizens within and outside the country.
4. Provide suitable assistance for aged, disabled, and sick citizens.
5. Provide for the citizens to have the right to rest and recreation.
6. The state shall give priority to developing underdeveloped regions and the life of the citizens.
7. Every citizen shall have the right to education and to expanding the monastic education system.
8. The state shall implement better living standards and better health for the citizens.
9. The state shall implement improvement of the life of children, take care of delinquent youths, and prevent forced child labor.

I would like to discuss the state's economy.

If the basic economy is not stable in a country there cannot be any effective development. There is a need to have sufficient family income for the basic economy. Only then will there be contentment and happiness. Only then will there be social happiness in the entire human society. When there is happiness in society there will be happiness and contentment in the whole country. That is why only when the state's economy is strong can the country and the people's lives be better and the people live comfortably. Only then will the country be stable. Only when the country is stable can democracy flourish. It is very important what economic system the country pursues. There is a need to prescribe it as a basic principle and to implement it.

[Daw Win Myint] Mr. Chairman: When we summarize these presentations, and as we are in the process of building a new democratic state, we find that there is a great need for all national races to have a clear view, to have the right concepts, to adopt a family spirit, and to safeguard national solidarity. At the same time, it shall include democratic rights from all sides in line with a democratic state. These democratic rights shall also be enjoyed. It is important to prescribe the basic principles clearly to build a union state, for the distribution of power, and to have the right development plans implemented. Moreover, a provision for a good relationship between the people and the authorities shall definitely have to be introduced.

The National League for Democracy, to the best of its ability, has made full presentations on the background history, national unity, affairs of democracy, and constitutional matters. The basic principles are the basis of drafting the new constitution. That is why the necessary basic principles and objectives are suggested. If these suggestions are amended and added after careful scrutiny, it will definitely bring about basic principles that will truly benefit the country and its citizens. Political parties or political organizations should not have a rigid policy. They should coordinate to bring about the firm basic principles to draft a strong constitution for generations to come. With regard to this matter, a political scientist once said: The political parties' perpetual readiness, when the time arrives, to work with loyalty, honesty, and justice is one of the needs for successful implementation in accordance with democratic principles.

Since all national races reside together in Myanmar, national solidarity is an essential factor. Our national races, unlike other countries, are very patriotic and are also ready to strive for the national cause. They have always been (?prominent in accordance with the time and situation). Myanmar is rich in natural resources. If the authorities and the people, who are to prescribe the right policies and practical procedures, work reasonably, responsibly, and diligently, a true democratic country can be successfully built. The stance of the NLD with regard to the basic principles is to build a true democratic state with a multiparty democratic system. In accordance with democratic principles, the true owner of sovereign power is the people. Only the people's representatives, elected by democratic means, shall exercise the three sovereign powers of state. Only then will it be like bringing about true democracy. With this I conclude my presentation with anticipation. [applause]

Indigenous Party Presents Report

BK1108110593 Rangoon Burma Television Network in Burmese 1530 GMT 9 Aug 93

["Extracts" of the report of the Mro or Khami National Solidarity Organization presented by U San Tha Aung at the plenary session of the National Convention held at the President's House compound in Rangoon on 9 August—recorded]

[Text] I would like to present my wishes to the esteemed chairman, the members of the panel of chairmen, the National Convention Convening Commission members and the delegates. I am an elected representative from Kyauktaw Township constituency-2, Arakan State, representing the Mro or Khami National Solidarity Organization [MKNSO]. I wish all the delegates health and happiness. I take pride in being able to present the report on this historical and auspicious national convention's prescription on the required basic principles for drafting a firm state constitution.

Mr. Chairman: The basic principles are the most significant key factor in drafting a firm state constitution. The basic principles are the foundation of the state constitution and are also considered a guarantee for a better future for all national races. The basic principles in drafting the state constitution cover politics, national races, economics, social affairs, defense, and foreign affairs. I would like to suggest the following basic principles of the state that should be included in the state constitution.

The Basic Principles

Politics

1. The state is a sovereign democratic union which guarantees the fundamental rights of the people.

2. The state shall be called the Republic of the Union of Myanmar [Burma].

3. We must habitually strive for the non-disintegration of national solidarity and the perpetuation of national sovereignty.

4. We must encourage and support the socioeconomic developments of the undeveloped national races.

5. The state shall defend the livelihood of all its people.

6. The state shall use a dignified multiparty system and a provision shall be included in the constitution for the development of a genuine multiparty democratic system.

7. The state shall have a bicameral system—a people's assembly and a nationalities assembly. The people's assembly delegates are to be elected according to townships, while the nationalities assembly shall be elected according to the racial groups.

8. Sovereign state power shall lie with the people.

9. The union assembly, which is elected according to the desires of the people, shall receive sovereign power from the people and shall exercise or delegate it in accordance with the constitution.

The National Races

1. The national races of the state shall have equality in all aspects, such as political equality, and have freedom to decide their own future.

2. It is necessary to build autonomous regions for national races to have full regional autonomy.

3. National races shall have the right to (prescribe and teach) their own literature based on the language of their choice. The national races, in accordance with their traditions and cultures or other laws, shall have the right of inheritance.

4. The national races shall have the right to promulgate laws and bylaws in accordance with their traditions and cultures.

Economics

1. The state economy, in line with its region, is based on a free market economy.

2. The state shall have the public, cooperative, joint venture and private sectors.

3. The state shall give priority to farmers owning farmland, to improve farm output, and to work for rural development.

Social Affairs

1. Every citizen shall be equal by law regardless of religion, class, or gender and shall have equal opportunities. They shall have equal benefits according to their skills.

2. The state shall have an equal education system and shall always strive for better health and culture standards.

3. The state shall nurture the all round development of youths—physical, mental, and disciplinary.

4. No criminal laws shall be retroactive.

5. No punishment shall be given to derogate from one's dignity.

6. The state shall provide adequately for disabled war veterans and also make programs to provide free livelihood training. The state shall look after the wives and children of those military personnel killed in action and orphans of war.
7. The state shall always allow workers and public service personnel, who are not politically involved, to legally resign.

Defense of the state

1. The duty of defending the state is very noble. There shall be only one armed force, which includes the army, navy, and air force, for effective defense and security of the state. The prominent role of the defense services shall be duly recognized in accordance with the military's involvement in the country's history.
2. After taking lessons from past history, there shall be no political control and influence over any armed organizations, including the armed forces.
3. The commander in chief of the defense services shall be the sole leader of all armed organizations in the state.

Foreign affairs

1. The state shall practice an independent and active foreign policy and shall always adhere to the United Nations Charter. The state shall always abide by the principles of peaceful coexistence.

Esteemed Mr. Chairman, according to the historical experiences of Myanmar, democracy was (suppressed) in the one party system and the democratic uprising erupted. At the present, it is an important period for the multiparty democratic system to flourish, for peace and prosperity in the country, and for national solidarity. For the multiparty democratic system to flourish, for the people, in whom the power initially belonged, to be able to use the power, for the national races to have autonomy in accordance with lawkapala [eternal] principles of justice, equality, and unity, I suggest the aforementioned basic principles be included in the drafting of the state constitution. With this I conclude my report. [applause]

National Races' Representative Reports

BK1208095393 Rangoon Burma Television Network in Burmese 1530 GMT 10 Aug 93

["Excerpts" of a report prepared by the group representing national races and presented at the plenary session of the National Convention at the President's House compound in Rangoon on 10 August; read in three parts by Daw Hnin Mya of Thaton, U Myint Aung of Indaw, and U Tennessee Pho of Kawkareik—recorded]

[Excerpts] [Daw Hnin Mya] [passage omitted] Mr. Chairman: The 32 members of the group representing national races held seven discussions on the chapter on fundamental principles of state on which the principles for drafting the state constitution should be based. The delegates held these discussions on behalf of the 14 states and divisions they represent, as well as in their own individual capacities. [passage omitted]

Mr. Chairman, the 14 chapters to be included in the state constitution, including the chapter on fundamental principles of state, will be presented chronologically.

The following is on the fundamental principles of state:

The state shall be constructed as the Republic of the Union of Myanmar [Burma], in accordance with the Lawkapala principles [justice, liberty, and equality], based on a genuine multiparty democratic system.

State economic policies shall be as follows:

1. The state economic policy shall be based on market economy;
2. The state is the original owner of resources on the ground, underground, underwater, and in the atmosphere;
3. The state shall supervise resource extraction and development by state and regional enterprises, joint ventures, and private enterprises to develop the national economy;

The state shall practice an independent and active foreign policy. [passage omitted]

The following is on the structure of the state:

1. The 14 existing states and divisions shall be organized as major states with equal status [asint atan tunyi de pyinegyi mya]. The original names of the states shall be maintained;
2. Self-administered areas [preceding three words in English] shall be formed, if necessary, within the states. No state shall have the right to secede from the Union.

I shall present the following on the head of state:

1. The president is the head of state;
2. A system shall be practiced in which the president is the chief executive, elected through an electoral college;
3. The president should be a citizen loyal to the nation and its citizens and should possess qualities as defined by the law.

Explanation: The president shall be elected as the head of state. As the president represents the nation, the president should be a deserving person. The president shall give effective leadership and guidance to safeguard the country's independence and state constitution, and ensure the nondisintegration of the union and national unity.

There are many methods for electing a president, as can be seen in the international practice of electing presidents. The correct method for the Union of Myanmar would be for the president to be elected through an electoral college. As the electoral college will be entrusted with the heavy responsibility of electing the chief executive—which is the most important national task—it shall be called the National Electoral College.

Mr. Chairman, the person who would become president should be loyal to the nation and the people, and should not serve foreign interests. Therefore, the person to be appointed president should accept the office of president only after swearing allegiance to the union.

As the future state of Myanmar shall practice the new presidential system of administration, the president shall be at the apex of the state organs.

As is known to all, we have had bitter experiences with the weaknesses of the administrative system headed by a prime minister in giving effective leadership to the state. That is why we have suggested changing to the presidential system of administration, with the president elected through an electoral college.

The following suggestions are given on the legislature:

1. Legislative power lies in the two houses of the Union Parliament, which represent the people, are elected by eligible voters, and represent the 14 states on an equal basis;
2. Each state shall have a legislative assembly;
3. Legislative assemblies shall include representatives whose names have been submitted by the commander in chief of the Defense Services;
4. Laws which would cause human indignity shall not be promulgated;
5. Laws which would meet the needs of the self-administered areas shall be prescribed and promulgated;
6. Laws passed at the state level shall not contravene laws passed at the central level.

[U Myint Aung] [passage omitted] I shall present the second part of the report compiled collectively by the group representing the national races. [passage omitted]

Mr. Chairman, the following fundamental principles should be prescribed for the chapter on the Defense Services:

1. A strong and modern single Defense Services must be established if state security and defense is to be strong and firm. The Defense Services should be empowered to organize nationwide defense participation by the people;
2. The Defense Services shall participate in the legislative and executive sectors in addition to its original duties in defense and security;
3. The commander in chief of the Defense Services is the supreme commander of all armed organizations in the country;
4. The Defense Services shall have the right to freely carry out affairs related to the Defense Services;
5. The Defense Services shall safeguard and defend the country in order to ensure nondisintegration of the union, nondisintegration of national unity, and the perpetuation of sovereignty;
6. The Defense Services shall have provisions for regional emergencies in order to deal with threats and emergencies in regions where the lives and property of the people may be threatened;
7. The commander in chief of the Defense Services shall have the right to procure and exercise state power in times of national emergency in accordance with the constitutional provisions;
8. The Defense Services have the responsibility to ensure that constitutional provisions endure and are observed. [passage omitted]

[U Tennessee Pho] [passage omitted] The following fundamental principles should be prescribed for the transitional period:

Laws, regulations, notifications, and directives in existence before this state constitution comes into force shall remain in force as long as they do not contravene the constitution and are not rescinded. [passage omitted]

Independent U Tun Hlaing Gives Report

BK1208062193 Rangoon Burma Television Network in Burmese 1530 GMT 10 Aug 93

["Excerpts" of report by U Tun Hlaing, independent representative from Bahan constituency-1—originally elected as candidate of Democracy Party, presented at plenary session of the National Convention held on 10 August in the President's House Compound, Yangon [Rangoon]—recorded]

[Excerpts] [passage omitted] Mr. Chairman, another guideline is the participation of the defense services in a leading role in national politics in the future state. The defense services always participate in national political affairs, and they should do so. Other defense services in the world not only participate in the national political affairs of their respective countries, but take part in affairs of other countries as well.

Each citizen in the Union state, regardless of the states or regions they reside in, should not lose their rights and should be entitled to the rights of self-determination and self-construction. [passage omitted] The wishes of the national races should be met only through democratic means in order to obtain national unity and to prevent national unity.

On the issue of market economy, related rights should be clearly prescribed. Authorities should not selectively impose restrictions and the government should not ignore [this matter]. Priority should be given to citizens, who have genuine capability, and there should be prevention against foreign exploitation to protect citizens. [passage omitted]

Mr. Chairmen and National Convention delegates: I fervently welcome the holding of the National Convention, the preparations being made for laying down the fundamental principles for drafting the state constitution, and the attempts to reconstruct the nation through national reconciliation. I shall cooperate to the best of my ability and shall present suggestions sincerely,

openly, and constructively in my capacity as a representative of the people. I conclude here by calling upon all the National Convention delegates to work together in harmony. [applause]

Peasants, Workers, Intelligentsia Report

BK1208045493 Rangoon Burma Television Network in Burmese 1330 GMT 11 Aug 93

[Excerpts] The plenary session of the National Convention was held this morning at 1000 in the Central Meeting Hall at the President's House compound on Ahlone Road, Yangon [Rangoon]. [passage omitted]

When the plenary session continued at 1230, U Maung Maung Than of Irrawaddy Division continued reading the report of the group representing workers. Next, the 54-page report of the group representing members of the intelligentsia and technocrats was read in three parts by Daw Po, professor of the Myanmar [Burma] Language Department; U Myat Thu, alias Taikatho Myat Thu, writer; and Daw Yee Yee Myint, associate professor from the Institute of Economics. The session ended at 1435 and will continue at 1000 tomorrow.

More Delegates Present Reports

BK1208070593 Rangoon Radio Burma in Burmese 0630 GMT 12 Aug 93

[Text] The plenary session of the National Convention was held today at 1000 in the central meeting hall at the president's house compound on Ahlone Road, Yangoon [Rangooon]. The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; NCCC Vice Chairmen Lt. Gen. Maung Thint and Brigadier General Myo Thant, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; NCCWC Vice Chairman U Tha Tun and work committee members; Brig. Gen. Tin Aye, chairman of National Convention Convening Management Committee [NCCMC], and NCCMC members; national convention delegates; and local and foreign journalists.

U Tun Yin Law from the National Unity Party acted as alternate chairman of the meeting and U Myo Thant, U James Bond, U Mya Sein, U Thein Lwin, U Tin Oo, U Ba Han, Lieutenant Colonel Taik Tun, and U Wan Tin served as panel members. U Khin Maung Myint, director general in charge of meetings from the NCCWC office, acted as secretary of the meeting.

First, the secretary of the meeting announced the validity of the meeting as 663 of the 698 national convention delegates were in attendance at the plenary session.

Next, U Win Zaw Nyunt and U Hkun Ba Yin from the public service personnel delegate group submitted their reports on prescribing the basic principles on which the fundamental principles of the state in the drafting of the state constitution should be based. The plenary session recessed for lunch at 1115.

It has been learned that the afternoon session of the National Convention Plenary Session is still in progress at the president's house compound on Ahlone Road.

'Fierce Battle' Between Troops, Karenni Rebels

BK1208022993 Bangkok BANGKOK POST in English 12 Aug 93 p 2

[Text] Mae Hong Son—A fierce battle raged for an hour yesterday after ethnic Karenni soldiers ambushed a convoy of Burmese troops near the Thai border.

The battle was reported to Thai authorities by Phrayun Charoenphon, headmaster of Ban Nam Phiang Din School in Muang District, who said the sound of machine-gun fire could be heard from the Thai side of the border.

The battle erupted when about 40 armed Karenni fighters ambushed a convoy of Burmese soldiers of the 428th Battalion near Phong Lao village, only four kilometres from the border.

The Burmese soldiers commanded by Lt-Col [Lieutenant-Colonol] Saw Htun, returned fire and the ensuing fight lasted ahout an hour.

The Karenni rebel group is a member of the anti-Rangoon National Democratic Front (NDF).

Only one NDF member, the Kachin Independence Organisation, has ended its armed struggle.

Deputy Minister Returns From PRC Trade Fair

BK1208081893 Rangoon Radio Burma in Burmese 1330 GMT 11 Aug 93

[Text] A Myanmar [Burmese] trade delegation led by Deputy Trade Minister Colonel Aung Thaung returned to Yangon [Rangoon] from the People's Republic of China [PRC] at 1230 today. The delegation was welcomed back at Yangon Airport by Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council and minister of trade; managing directors from trading enterprises and responsible personnel; PRC Ambassador Mr. Liang Feng [title as heard]; relatives; and friends. The Myanmar delegation left on 4 August and attended the trade fair held in Kunming, Yunan Province of the PRC.

320 Refugees Return From Bangladesh 9 Aug

BK1108155193 Rangoon Radio Burma in Burmese 1330 GMT 11 Aug 93

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of

those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by Camp Supervisor Mr. (Manivul Hussain Khan) from the country on the other side transferred 320 returnees—161 males and 159 females—from 78 households to our Kanyinchaung reception center at 1100 on the morning of 9 August 1993. The returnees were brought in by 11 motorboats. The delegation left at 1400.

Brunei, Malaysia & Singapore

Malaysia

Foreign Minister Denies 'Anti-U.S. Policy'

BK1208110793 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Aug 93

[Text] Malaysia does not practice an anti-U.S. policy, although at times it disagrees with the country's handling of international issues. Foreign Minister Datuk Abdullah Ahmad Badawi said as an independent country, Malaysia regards it its responsibility and right to express its stand on global matters, including giving its views on U.S. policies touching on international issues.

Datuk Abdullah conveyed Malaysia's stand on this to Senator Christopher Bond of the Senate committee on U.S. economic affairs, who called on him in Kuala Lumpur. The minister said Malaysia's policy is to befriend other countries, including the United States. But when it expresses its disagreement with any action taken by the United States, it does not mean that on the whole, Malaysia is anti-America. He told newsmen this after his meeting with Mr. Bond.

Datuk Abdullah said he explained Malaysia's stand on Bosnia-Herzegovina to Mr. Bond. Malaysia wants steps to be taken immediately to end the Serbs' atrocities on the Bosnians, and for that, the country to support the United States proposal for air strikes on the Serbs. He hopes that the United States is not merely paying lip service but will work to carry out the action.

On the Serbs ignoring the North Atlantic Treaty Organization's ultimatum to pull out or face air strikes, Datuk Abdullah said he is not surprised at the arrogance of the Serbs. For all this while, they did not bother about the feelings of the international community. He added that the air strikes must be carried out because only such actions could teach the Serbs.

Mahathir Urges NATO Military Intervention in Bosnia

BK1208092593 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Aug 93

[Text] The Bosnian problem cannot be solved effectively without military intervention. Prime Minister Datuk Sri Dr. Mahathir Mohamed says NATO must act immediately to curb Serb aggression in Bosnia-Herzegovina. Military intervention is the only way to solve the problem despite threats by the Bosnian Serb leader, Radovan Karadzic, of serious implications if NATO intervenes in that country. Speaking to newsmen in Kuala Lumpur, the prime minister expressed regret that promises by the Serbs, although seem to be genuine, are lies.

Deputy Premier on 'Offensive' To Defend Party Post

BK1108125293 Singapore THE STRAITS TIMES in English 11 Aug 93 p 19

[By Ismail Kassim]

[Text] Kuala Lumpur—Deputy Prime Minister Ghafar Baba has, for the first time, switched to the offensive to defend his post as UMNO [United Malays National Organization] deputy president against an expected challenge from Finance Minister Datuk Sri Anwar Ibrahim.

Sources close to him said yesterday that a busy programme had been arranged for the 68-year-old veteran politician to campaign all over the country in the next few weeks.

"He concedes that his challenger is ahead but he is fighting back," said an aide.

He added that talk of Mr. Ghafar planning to resign, which started last week, were not true.

He also denied the latest report from BERNAMA yesterday giving the impression that the deputy premier was again thinking of stepping down.

The report quoted Mr. Ghafar as saying that he needed one or two more days to think over his position.

At the last count, a majority of the leadership of the party's 153 divisions had committed themselves to nominating Datuk Anwar for the UMNO deputy presidency.

The divisions will begin their annual meeting from September 8 to nominate leaders for the party leadership elections scheduled for November 4.

Under UMNO's amended polling rules, every nomination for the top two party posts carries 10 votes.

To have any chance of winning, Mr. Ghafar cannot afford to lag behind in the nomination count.

Otherwise, the race might be over even before the 1,783 delegates cast their votes on polling day.

"Our target is to get about the same number of nominations as the challenger so that we could carry the fight to the delegates," said another Ghafar aide.

He said that it was not an impossible task to even the odds despite the declaration of neutrality from Prime Minister Datuk Sri Dr. Mahathir Mohamed.

Dr. Mahathir said last Saturday that as party president he would have to remain neutral if there was a fight for the number two post.

To offset the lead held by his rival, an aide said that Mr. Ghafar's strategy was to appeal directly to the delegates for support bypassing the divisional leadership.

For this reason, the deputy premier is going round the country to make personal appeals to grassroots members in small closed-door sessions.

Over the last two days, he has held four rounds of meetings in Negri Sembilan and Selangor to counter issues raised against him.

While denying that his age and lack of formal tertiary education were handicaps, Mr. Ghafar also stressed on his long and loyal contributions to the party.

In contrast, supporters of Datuk Anwar, who said that he would contest only if he had the support of members, seemed to have adopted a low profile in the last few days.

Singapore Remains Johor's Top Investor

BK1108123593 Singapore THE STRAITS TIMES in English 11 Aug 93 p 18

[By David Chew]

[Text] Johor Baru—Singapore continues to be Johor's top investor, accounting for more than half of the 68 foreign and local projects worth 446 million ringgit approved for the first six months of this year, according to a senior government official.

The Director of the Johor Malaysian Industrial Development Authority (MIDA), Mr. Abdul Latif Shaari, said in an interview here yesterday that Singapore had 39 projects in the agency's approval list from January to June this year.

In terms of the number of projects, the republic was thus far ahead of Johor's other top foreign investors, such as Japan which had seven, and the United States, which had one, he added.

However, Mr. Latif said that the Singapore equity for its 39 projects amounted to 66 million ringgit, compared to 150 million ringgit for the seven Japanese projects and the 35 million ringgit for the sole U.S. project approved.

"The Singapore investors in Johor are mainly small and medium-sized industries whereas the Japanese and American ones are multinationals."

Mr. Latif explained that the projects approved by MIDA came from companies with a paid-up capital of at least 2.5 million ringgit and employing at least 75 workers.

"Those with a smaller equity and workforce size investing in Johor need not register with MIDA."

Mr. Latif said that many Singapore firms in Johor came under this category.

"If the investments from these smaller investors are taken into account, the Singapore equity component in Johor from January to June 1993 will be much higher than the 66 million ringgit registered with MIDA," Mr. Latif said.

The bulk of Singapore's investments are in electronics and manufacturing, coming from the 540 Singapore companies located mainly in Pasir Gudang and Senai which have easy access to Singapore.

Johor's close proximity to and cordial ties with Singapore via the Growth Triangle concept has encouraged some Singapore companies to invest in the state.

Johor's attraction as an investment haven for Singaporeans has not diminished despite the lure of China's huge investment potential, according to the vice-chairman of the Johor Baru Chinese Chamber of Commerce, Mr. Cheng Chean Chiang.

In 1991 and last year, Singapore invested 954 million ringgit in Johor or 26.3 percent of the state's total investment of 3.62 billion ringgit. For the same period, the investments from Japan and Taiwan, Johor's next biggest investors, were 688.4 million ringgit and 422.4 million ringgit respectively.

Cooperation MOU's Signed With Namibia 10 Aug

BK1008142193 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 10 Aug 93

[Text] Malaysia and Namibia today signed six memoranda of understanding (MOU), seen as an effort for further strengthening South-South cooperation. The MOU's are for technical cooperation, construction of a cement plant, water resources study, mining, loans for housing projects, and infrastructure work.

Prime Minister Datuk Sri Dr. Mahathir Mohamed witnessed the signing ceremony in Kuala Lumpur. The visiting Namibian trade and industry minister, Hidipo Hamutenya, signed four out of the six memoranda on behalf of the Namibian Government. Malaysia was represented by Tan Sri Ali Abu Hassan, director general of the National Economic Planning Unit. Other memoranda were signed by Malaysian consortiums.

According to Tan Sri Ali, planning, finance, banking and agriculture sectors will be included under technical cooperation. The scope of cooperation will depend on Namibia's needs. The government will assist Namibia by providing places for its students in Malaysia's institutions of higher learning and conducting short- term training programs for its officials.

Singapore

Premier Goh Congratulates New Japanese Premier

BK1108114093 Singapore Singapore Broadcasting Corporation in English 1100 GMT 11 Aug 93

[Text] Prime Minister Goh Chok Tong hopes Japan will play an increasing role in ensuring stability and prosperity in the Asia- Pacific [region]. In a congratulatory message to his newly appointed Japanese counterpart, he said Mr. Morihiro Hosokawa is assuming the post at a significant moment in the country's history. Political development in Japan is undergoing a generational change and the Japanese Government also has to meet the new aspirations of its people. He also [words indistinct] that Mr. Hosokawa will be able to handle both international and domestic challenges. He looks forward to working with Mr. Hosokawa to enhance Singapore-Japan relations.

Indonesia

Joint Military Exercise With Australia Begins

BK1208070393 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Aug 93

[Text] This year the Indonesia-Australia joint military exercise has two special features, namely, the deployment of F-111 bombers and the staging of a mine warfare exercise. In the exercise conducted in the waters north of Darwin from 12 to 21 August, the F-111 bombers belonging to the Australian Air Force will simulate an attack and destruction of enemies in the sea.

Admiral Suroso, commander of the Eastern Fleet's Combat Task Force, said this in Surabaya yesterday in his capacity as planning officer of the joint military exercise. He added that in the exercise, Indonesia will deploy its Nomad N-22 reconnaissance planes attached to the Eastern Fleet. As for the mine warfare exercise, it is intended to trap and destroy enemy ships which have penetrated the area. The joint military exercise is conducted once every two years with the venue held alternately between the two countries.

Minister: U.S. Needs Explanation of Labor System

BK1208065993 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Aug 93

[Text] The Indonesian Government should give a detailed explanation to the U.S. Government on the national labor system in connection with that country's threat to remove Indonesia's GSP [Generalized System of Preferences] status. Trade Minister Satrio Budiharjo Yudono said this in response to the U.S. threat to remove Indonesia's GSP status. The threat, however is not expected to strain the current excellent bilateral relations.

The trade minister added that Indonesia's labor system is different from that of Western countries and a detailed explanation will be given to the United States.

Australia's Evans Welcomes E. Timor Policy Change

BK1108160493 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 11 Aug 93

[Text] Australia has welcomed Indonesia's initiative to reduce its military role in East Timor. Speaking at a press conference at the Australian Embassy in Jakarta today, Australian Foreign Minister Gareth Evans described the Indonesian Government's move as the best strategy which will lead to peace. Evans also said that the reconciliation process in East Timor will also benefit from the planned reduction of jail terms for those involved in the Dili Incident.

Military Spokesman Denies Arrest of E. Timorese

BK1108154093 Hong Kong AFP in English 1203 GMT 11 Aug 93

[Text] Jakarta, Aug 11 (AFP)—An Indonesian military spokesman here Wednesday denied an Amnesty International allegation that its intelligence forces had arrested three East Timorese.

"That is a lie and there is no such arrest," a spokesman with Information Department of Indonesian Military (Puspen Abri), who declined to be identified by name, told AFP.

Amnesty International (AI) in a statement obtained here Tuesday said that three East Timorese had been arrested last month and were being held incommunicado for their alleged political and human rights activities.

AI feared that they may be subjected to torture or ill-treatment while under interrogation by their captors, it said.

It said Martinho Rodrigues Pereira, 31, and two unidentified East Timorese were arrested by military intelligence on July 5.

Pereira, it said, was thought to have been accused of orchestrating the recent asylum bid by seven young East Timorese, whose bids were turned down, three by the Swedish embassy and four others by the Finnish embassy on June 23.

The seven, most of them involved in a demonstration which ended in scores of civilians being killed by Indonesian security forces in Dili in November 1991, left the embassies after Indonesian authorities guaranteed that they would not be detained, intimidated and interrogated.

Regional Commander on E. Timor Security Situation

BK0708123893 Jakarta SUARA PEMBARUAN in Indonesian 22 Jul 93 p 2

[Excerpts] Dili 22 Jul—Major General Teo Syafei, commander of the IXth Udayana Military Region, has said that an evaluation of military operations in East Timor will be made every six months. Now the province is in a transitional period after the dissolution of the Kolakops [Operational Execution Command] and the assumption of authority by the Korem 164/WD [Military Sub-area Command 164/Wira Dharma].

The plan to reduce ABRI [Armed Forces of the Republic of Indonesia] personnel in the province has been finalized. In 1995 Dili Korem 164/WD will operate independently using their own forces. This means the potential for disturbance in East Timor is non-existent. The Korem forces and the East Timor people are able to handle all problems if any arise.

Maj. Gen. Theo Syafei was speaking to reporters in Dili on Tuesday (20/7) after attending a ceremony marking the change of command from Infantry Colonel Suntoro to Inf. Col. Johni Lumintang as the commandant of Korem 164/WD. Suntoro will become commander of Denpasar Bali Military Sub-area 163. Lumintang was formerly commander of the Jaya Infantry Central Regiment. [passage omitted]

Maj. Gen. Theo said that during the four months of transition from Kolakops to Korem, the East Timor area was very peaceful, which makes it possible to expedite the reduction of ABRI personnel in East Timor. "I don't see any signs that could arouse suspicion," he said. Responding to the newsmen, Maj. Gen. Theo said the GPK [Security Disturbing Movement] has only 100 firearms left and the members are scattered following the capture of their leaders.

In the past, under the leadership of Xanana Gusmao, Antonio Gomas alias Mauhunu, and Jose da Costa alias Mauhudu, members of the GPK, were active in the military and political fronts. Now their lives are full of uncertainty and they no longer communicate with anyone in the city. "So far, no one has taken over Xanana or Mauhunu's position in the jungle," he added.

Maj. Gen. Theo also said that the Korem's duty is to maintain stability and security, to support government efforts to develop East Timor, and to mobilize all existing resources in the province. In this way, a reliable force will be established and be cohesive in getting rid of any potential threat to security.

He said that the Korem should give priority to national interests and the welfare of the people. The Korem is always ready to sort out matters that are contrary to the Pancasila state ideology and the 1945 Constitution because East Timor is one of Indonesia's provinces. In view of this, other aspirations that are not in harmony with Pancasila will not be tolerated and the Korem will ensure that everything is in order.

According to the commander, the Indonesian Government has great concern for the East Timor people. A lot of ideas, energy, and funds are being channeled to the province so that the standard of living of the people there can be comparable with that of those residing in other provinces. "I am confident that the East Timor people will be unhappy if all of the development and achievements made so far are disrupted by a small group of people with separatist aspirations," he said.

Maj. Gen. Theo called on all Korem personnel to act wisely in handling potential threats and disturbances to the stability, security and development process of East Timor. This is to protect development achievements in the province. He also called on all personnel to make approaches and keep in close contact with influential figures in East Timor. [passage omitted]

Daily Notes Complaints on Bonded Warehouse Procedures

BK1008153393 Jakarta SUARA PEMBARUAN in Indonesian 27 Jul 93 p 2

[Editorial: "Bureaucratic Procedures in Bonded Warehouse Zones of Indonesia"]

[Text] The Indonesian Textiles Association's [API] executive board members told reporters in Jakarta last Saturday [24 July] that foreign and local investors operating in North Jakarta's Cakung and Tanjungpriok Bonded Warehouse Zones (KBN) are intending to move out of the area due to the government's complicated and long procedures for export-orientated enterprises, and preshipment inspections of imports. Their complaints focused on several issues. We feel concerned about the decision by the Textiles and Textile Products Industries (TPT) to leave the area. They had complained about the torturous procedures for imports and exports and transportation, which inflated their production costs.

The complaints by Susanto, vice chairman, and Benny Sutrisno, secretary general of API, are more worrying because such complaints emerged at a time when the government is continuously making efforts to issue trade deregulation packages to stabilize and improve the investment climate in the country. The businessmen said that it would be better to operate outside the KBN because swelling production costs are adversely affecting their competitiveness in international market.

Currently there are 120 plants operating in the KBN, and 50 percent of them are South Korean companies. About 80 percent of the plants in the KBN are manufacturing textiles and textile products. According to API, to date, one textile company had already stated its wish to move out of the KBN, and many more are expected to do likewise.

The API is also complaining about the additional costs for importing and exporting goods to and from KBN. Businessmen began to feel seriously affected by the unfavorable condition since the issuance of SK 649/ KMK. 01/1993 [Certification Letter 649/Finance Minister's Decision. 01/1993] on 10 June 1993, relating to Customs Procedures on Export and Import of Goods to and from bonded zones. However, the details on the implementation of the procedures have not been issued yet.

According to the API leaders the situation became more complicated one month later following the issuance of Finance Minister's Certification Letter No. 771/KMK. 01/1993 on 12 July. They said that government officials could not implement the new as well as the latest procedures effectively due to their lack of understanding of the regulations, and this confused the investors. With the implementation of the new fixed procedures, investors in the area began to question Presidential Decision No. 22, 1986 which called for active operations in the bonded zones.

Meanwhile, other sources confirmed that as a result of overlapping regulations, which have no clear instruction on how they should be implemented, Customs and Excise, Sucofindo [Superintending Company of Indonesia] and the KBN officials act according to their whims and their own interpretations of the procedures when dealing with businessmen. The procedural problems are causing great losses in our export trade and at the same time interrupt the inflow of state revenue.

Due to the officials' varying perception of the procedures, several exporters could not ship out their goods even though they already obtained the export documents. It seems that a businessmen operating in the KBN was exasperated when his 400 million rupiah worth of garments was held back from being shipped out because KBN officials kept stretching the export procedures. Another complaint made by businessmen operating in the KBN is about the system of monopoly over transport service in Cakung and Tanjungpriok Bonded Zones. The exporters used to be late in dispatching their goods from the warehouses to the port due to a limited number of trucks under KBN monopoly.

The system applied in bonded export processing zones should aim to simplify exports, and it should be coordinated by deregulatory measures on the customs and excise tax, lower import, export tax, and rapid transportation. In 1984, debureaucractic and deregulation packages on export trade were launched during which customs and excise officials were reorganized. The measures proved to be effective and advantageous then. This was seen by the sharp increase in export of nonoil and nongas commodities, especially the textiles and textile products. Textiles and textile products were some one of the most reliable export products that brought in plenty of foreign currency.

In the era of global economic competition either in the field of product marketing or investment, our import and export trade continues to play a vital role in accelerating our national development. The shortcomings in trade policy would be fatal to our plan for development continuity. In view of this, we hope that the government will take measures to introduce an efficient export procedures by issuing deregulation packages on trade and investment.

Any effort to revert to strict bureaucracy and regulations will only benefit a group of notorious officials who are easily tempted to embezzle the money. The corrupt practices by officials will threaten and weaken our economy. Eventually, perhaps, it will not be efficient to compete on the international market, which has become much fiercer.

Former Minister Sworn in as BPK Chief

BK1108080893 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 11 Aug 93

[Text] Supreme Court Chairman Purwoto Gandasaputra swore in J.B. Sumarlin as new chairman of the State Auditing Board [BPK] during a ceremony at the State Palace in Jakarta this morning. The swearing-in ceremony was witnessed by President Suharto. Also sworn in were Police General Kunarto as BPK vice chairman and Gandhi, I Gusti Putu Santosa, Kandiawan Affandi, Rifai Siata, and Syahbuddin Makhsulili as members. A former finance minister, J.B. Sumarlin is to serve as BPK chairman for the 1993-1998 term, replacing Retired General M. Yusuf, whose term will end on 12 August.

Asked by reporters about his new appointment, J.B. Sumarlin said he needed two to three days to study his new duties before answering the question. The ceremony was also attended by Mrs. Suharto, Vice President and Mrs. Try Sutrisno, and a number of ministers of the Sixth Development Cabinet.

Philippines

Government Decides Agenda for Economic Summit

HK1208034793 Manila BUSINESS WORLD in English 12 Aug 93 p 12

[Text] Malacanang and Congress yesterday reached an agreement on the common eight-point legislative agenda for next week's economic summit.

Speaking to Palace reporters following a joint executive-legislative meeting at Malacanang, Sen. Gloria Macapagal-Arroyo said the agenda consists of measures aimed at improving economic activity in the immediate term as well as addressing existing structural problems. The broad areas under which the legislative measures were categorized, she said, are:

—ensuring justice, peace and security;

—investing in human capital;
—closing the fiscal gap;
—mobilizing investments and leveling the playing field;
—conserving the environment;
—accelerating agro-industrial development;
—energizing the bureaucracy; and
—infrastructure and energy.

She said the three-hour August 20 summit between Congress and Malacanang will lay the basis for the larger multisectoral summit set for September 8.

She declined to state what bills were included in the common agenda, stating what they agreed upon was to concentrate on the eight areas where legislation is needed for economic growth.

However, a copy of the proposed common legislative agenda, obtained by Palace reporters, outlined the proposals as follows: seven bills on justice, peace and security; five for investments in human capital; 15 measures to close the fiscal gap; 11 for investments and leveling the playing field; six on the environment; five on agro-industrial development; and six on the bureaucracy.

Specifically, peace and order concerns involve passage of the following:

—reimposition of the death penalty (Senate Bill [SB] No. 262/House Bill [HB] No. 62);
—modernization of the Armed Forces of the Philippines (SB 896/HB 7474);
—anti-laundering/anti-racketeering (SB 597/HB 4657);
—Code of Crimes (HB 760);
—adjustment in the AFP/PNP [Armed Forces of the Philippines/Philippine National Police] base pay (SB 1131);
—penalties to criminal government offenders (HB 4218); and
—inter-country adoption (SB 236/HB 6758).

On human capital investments:

—health reforms with provision for expansion of MEDICARE [Medical Care] coverage (HB 408/HB 508);
—anti-child labor (SB 1155/HB 727);
—apprenticeship and manpower development (SB 168/HB 159/HB 415);
—education reforms (SB 967/HB 5111); and
—Magna Carta for Students (HB 55).

Needed fiscal measures were identified as:

—the 1994 budget proposal with provisions for safety nets;
—refinements in the value-added tax (HB 9210);
—shift to transaction value from home consumptions value as basis for duty valuation;
—increase in tax reforms;
—phaseout of Gross Receipts Tax;
—land conversion tax;
—luxury items tax;
—stock transfer tax (HB 9187);
—documentary stamp tax;
—road users tax;
—an increase in the minimum rate of cash dividends declared by GOCCs;
—tax amnesty under certain conditions (HB 5919);
—tax on liquors;
—extending the life of the Asset Privatization Trust and the Committee on Privatization; and
—a travel tax.

On mobilizing investments and the playing field, the following measures were outlined:

—anti-trust (SB 845/HB 668/HB 6983/HB 7011);
—anti-smuggling;
—expanded social housing;
—free entry for foreign banks;
—inter-island shipping;
—amendment to Omnibus Investments Code;
—Long-Term Savings;
—investor's pre-citizenship visa;
—amendments to the Build-Operate-Transfer Law (HB 3166);
—Public Works Bill (HB 1621); and
—shipbuilding repair.

Environmental measures are:

—Mining Code (HB 8391/HB 7239);
—Forestry Code (HB 8931);
—Land Code (HB 3963);
—Fisheries Code (HB 9326);
—log ban (HB 9505); and
—massive reforestation.

Agri-industrial concerns are:

—high-value crops (HB 9288);
—countertrade;
—CARL [expansion unknown] amendments;
—banana hectarage; and
—an agricultural development bill.

Lastly, energizing the bureaucracy would require the following measures:

—reorganizing the bureaucracy with provision for early retirement;
—salary standardization II;
—portability scheme in the social security systems (SB 768/HB 4869);
—amendments to the Local Government Code on reallocation of IRA [expansion unknown] to LGUs [Local Government Units] and the President's authority to suspend (SB 1068/HB 6346);
—Civil Service Code; and
—election of sectoral representatives to the local Sanggunians (SB 1201/HB 6691/HB 9154).

Military Orders End to Basilan Offensive

HK0808065093 Quezon City ABC-DWET Television in English 1300 GMT 6 Aug 93

[From the "ABC-DWET News Program"]

[Text] The tension that has prevailed in Basilan in the last few weeks is dying down. Government military operations said to be aimed at running to the ground several armed bands on the island are tapering off. And ABC-5 sources in Western Mindanao confirmed that the Moro National Liberation Front [MNLF] is itself drawing back from any confrontation with the military.

This comes in the light of the still-awaited formal peace talks between the MNLF and the government which were to have started sometime last July. The latest Basilan situation from Arlene de la Cruz:

[Begin recording] [De La Cruz] With pressure to observe the ongoing peace efforts of the national government with the MNLF, the Basilan Island Command ordered today the termination of its offensive operation in Lantawan, Basilan.

Local MNLF commanders and spiritual advisers are confirming that MNLF forces were the ones occupying Lantawan when the military started its offensive last 28 Jul.

But military commanders maintained that they were after some groups of the Lost Command and other criminal elements who were reported to be staying in Lantawan.

[Unidentified military officer] We have already achieved all our objectives in the area and dismantled checkpoints of the Lost Command and pushed them away from the area

[De La Cruz] Even the armed components of the MNLF seemed to have mellowed down from their earlier stand of launching a counter-offensive within the next two days. Around 500 heavily armed MNLF combatants are still on stand-by for any possible change of plans, according to ABC-5 sources.

Initially the combined groups of Commanders Anggaling and Juljilang [as heard] released five of their hostages. All of them are Christians.

The family of Leopoldo Patinio was released early yesterday morning at Sitio Gudapuhan. Patinio confirmed that eight remaining hostages are still in the hands of Jilang and Anggaling.

According to the military, the pullout of two battalions from Lantawan does not mean they gave in to the demand of the MNLF to stop their offensive. Colonel Villena said the release of the hostages and the termination of operations are both independent decisions of the military and the MNLF.

[Villena] It has been the policy of government never to give in to terrorism.

[De La Cruz] Meanwhile, monitoring of possible terrorist activities by some extremist groups is still being done both in Zamboanga and Basilan. No less than the governor of Basilan is being implicated in the series of bombings that transpired in his area of jurisdiction. The governor issued an official denial addressed to both Malacanang and the Department of Interior and Local Government.

[Salapuddin] It's very unfortunate and very lamentable that there is nothing bad that is happening here in Basilan that is never attributed to me. [end recording]

MNLF Declares 'Red Alert'

HK1208035193 Quezon City MALAYA in English 12 Aug 93 p 2

[Report by Chit Estella]

[Text] The Moro National Liberation Front [MNLF] yesterday dismissed as a mere "smokescreen" the government's reported withdrawal of soldiers from Basilan and said the situation in that island remains far more critical than admitted by the authorities.

In a statement faxed from Jeddah, the MNLF said the condition in Basilan is "tense and explosive" and could jeopardize ongoing peace efforts between the Muslim organization and the Ramos government.

It said that "more than a hundred Christian hostages" are now being held by the lost command group led by Angoling Sali as well as other forces in that island in retaliation for the alleged abduction of Muslim civilians in Lantawan last July. The holding of Muslim civilians as hostages was reportedly conducted by the military under Brig. Gen. Guillermo Ruiz, marine commander in Basilan.

Because of the alleged deployment of 2,000 soldier in the island as well as the launching of air, land and sea raids last July 31 on the towns of Lantawan, the MNLF responded by declaring Red Alert I. This means it is reported to strike "when needed."

Refering to recent reports that the military has begun withdrawing its forces, the MNLF said this was "minimal" and "insignificant". It said that the reduction of government forces was probably a smokescreen meant to cover up the fortification of the military's position in Lantawan and "possibly, the planting of incendiaries and explosive in some areas."

The MNLF regards Lantawan as its controlled area. Although the MNLF claims it does not maintain regular forces inside the town properm its Bangsa Moro Armed Forces [BMAF] is "well entrenched and fortified in the hills overlooking the town," the statement said.

"If at any time, the invading colonial forces venture to go beyond the town proper, it is expected that the MNLFBMAF will definitely oppose them in direct combat so long as the civilians are fairly safe," the MNLF statement said.

But in an apparent attempt to discourage MNLF armed opposition, the AFP [Armed Forces if the Philippines] allegedly raided Lantawan last July, rounded up civilians, including women, children and the aged. "They were cordoned and nobody was allowed to come in and go out of the area," the MNLF said, adding the civilians were being used as shields to stave off an MNLF attack on the military that occupied the town.

The Muslim rebel group demanded the filing of criminal charges against Ruiz for causing "severe sufferings and irreparable damage and agitation on the population of Lantawan, Muslim and Christians alike."

Thailand

Deputy Premier on U.S. Demand for Film Tariff Cut

BK1208020393 Bangkok BANGKOK POST in English 12 Aug 93 p 20

[Text] Thailand is unlikely to accept the US demand for the complete removal of import duties on films, Deputy Prime Minister Suphachai Phanitchaphak said yesterday.

Dr Suphachai said the demand will be considered tomorrow at a meeting of the International Economic Relations Committee, which he chairs. The views of the Finance Ministry will also be important, he added.

He argued that although the current 30 baht per metre duty is designed to protect the Thai film industry, the duty has not had any effect on the Thai audiences. Those who like foreign films still go to see them.

A first round of negotiations between the two countries on a possible reduction in duty took place in Geneva earlier this month. It was held under the auspices of the Uruguay Round of the General Agreement on Tariffs and Trade talks, although the United States considers market access for films to be an intellectual property rights issue under its own Section 301 law that includes the threat of sanctions against imports.

Thai officials say the United States offered to scrap import duties on selected textiles products in exchange for Thailand cutting the duty on films. Thailand has so far only said it is willing to reduce duty on films, not to remove them entirely.

Navy Official Justifies Buying U.S. Planes

BK1208025393 Bangkok BANGKOK POST in English 12 Aug 93 p 2

[Text] The Royal Thai Navy is in the process of procuring its first jet aircraft the A-7 Corsair attack fighter from the United States, according to Royal Fleet Commander Adm Santiphap Muming.

The Navy plans to purchase the combat-proven A-7 attack aircraft after they are decommissioned by the US Navy.

Adm Santiphap said Thailand has plenty of coastal areas such as U-Taphao Air Base to facilitate the Corsairs, which the US Navy deployed successfully in the Gulf War against Iraq.

U-Taphao served the US-made B-52 Stratofortress bombers during the Vietnam War.

Royal Fleet Chief-of-Staff V-Adm [Vice-Admiral] Chaiyachit Ratanaphon said the US Navy's A-7s were normally based aboard aircraft carriers but the Thai Navy would adapt them to land-based mode.

The planned purchase of the A-7s is part of a strategy to turn what is described as a "brown navy" (coastal waters) into a "blue navy" (deep sea) to better defend the territorial waters in the Gulf of Thailand.

The Navy is also having its first helicopter carrier, the Chakri Narubet, built in Spain at a cost of about 8,000 million baht.

Twelve to 15 helicopters will be deployed aboard the carrier in the middle of the Gulf. Adm Santiphap said the Chakri Narubet would be procured probably in 1997.

Army Chief: Burma Relations 'Close,' 'Unchanged'

BK1108115593 Bangkok Voice of Free Asia in Thai 1030 GMT 11 Aug 93

[Text] Speaking to reporters about his official visit to Burma at the Land Transport Department yesterday, Army Commander General Wimon Wongwanit said that during the visit, aimed at further strengthening existing relations between the two countries, he held meetings with the Burmese prime minister and commanders in chief of the three armed forces and exchanged views with them on a wide range of issues. The two sides agreed that relations between their two countries remain close and unchanged. The Army commander noted that any problem between Thailand and Burma, the two friendly countries, can be settled through peaceful means. The Burmese side informed him that they are in the process of gradually developing democracy in the country and appealed to the foreign mass media to be considerate and impartial in making news reports. They did not say anything about the progress of the drafting of the constitution, however.

Asked about the opening of border crossing points between Thailand and Burma, the army commander said as a military officer he is not supposed to bring such a business issue up for discussion. He added that the problem of the Burmese minority groups was not brought up for discussion either because Burma knows well that Thailand has never supported them.

Premier Urged To Fix 'Troubled' Cambodia Ties

BK1208020993 Bangkok THE NATION in English 12 Aug 93 p A6

[Editorial: "Thailand and Cambodia Can Straighten Their Ties"]

[Text] It is a high time that Thailand and Cambodia worked anew on their much troubled relationship. The four-day official visit here of Cambodia's co-presidents, Prince Norodom Ranariddh and Hun Sen, beginning tomorrow, present a good opportunity for Thai leaders to listen first-hand from their Cambodian counterparts to their views on the prospects and problems of their future relationship.

During a recent visit to Vientiane, Prince Ranariddh referred to Thailand and expressed concern over the Thai traders which have caused losses to his country's forest and natural resources. Hun Sen himself has also long been suspicious of Thailand's close links with the Khmer Rouge. As the leaders of new Cambodia, both men probably will have a lot to say. Thailand, as an immediate neighbour, will have to take stock of Cambodia's concerns.

Since the first day of Cambodia's interim government, Thai-Cambodian ties have been in limbo, mainly due to the ambiguities of leaders of both countries.

For example, Prince Ranardiddh, before he became the president of Cambodia, told the Foreign Ministry that Cambodia would honour all trade agreements made between the Thai traders and all Cambodian factions. Since then, key Cabinet members have expressed conflicting views over the future of Thai investment and trade interests there.

With an elected Constituent Assembly in place, it is hard to envisage a situation whereby Thai trade agreements with the Cambodian factions will be honoured entirely. Amendments and renewed negotiations are unavoidable, if not necessary, to make the deals acceptable to the public.

Thailand has created its own pitfalls. Ties with the Khmer Rouge still haunt the Thai leaders, both civilian and military. With the settlement of the Cambodian conflict, the Thais are increasingly frustrated by the ever-changing Cambodian situation, in which Thailand has no influence or control.

The recent incident between Thailand and the United Nations Transitional Authority in Cambodia over whether [the] former assisted Khmer Rouge guerrillas in attacking a UN position along Thai-Cambodian border was a clear demonstration of the country's dilemma.

The Thai Government and all military top brass have repeatedly denied such allegations. But no one, including the world body, listens. In other words, Thailand has lost all its credibility in the eyes of the world as far as its intricate relations with the Khmer Rouge are concerned.

When the Cambodian presidents sit down and discuss bilateral issues with Prime Minister Chuan Likphai tomorow, they must straighten things out between the two countries, especially on the future of trade relations and the Khmer Rouge.

It would be ideal if both Ranariddh and Hun Sen are convinced of Thailand's sincerity and position on the Khmer Rouge. It will be up to them to judge whether Thailand's link with the Khmer Rouge might endanger their government or the new one that will come up in October. It is also a wasteful exercise for the Thai leaders to fight against world opinion.

Beyond trade and Khmer Rouge issues, both countries have to settle the longstanding problem of a demarcation line, neglected since the 1970s. It will be an arduous task to complete. The 14-year-old Cambodian problem turned the 900-plus kilometre borderline into an unrecognized frontier, riddled with landmines and occupied by bandits.

In building new Thai-Cambodian relations, Chuan has an important role to play by assuring the Cambodian leaders of Thailand's policy toward their country. Embroiled by domestic politics, Chuan has not had enough time to ponder key foreign policy issues, let alone contemplate the Cambodian situation. But this weekend will be crucial for Chuan, if he so desires, to assert himself as a leader who is sensitive to its neighbours.

Revocation of Unfair UN Cambodia Resolutions Urged

BK1208075193 Bangkok SIAM POST in Thai 12 Aug 93 p 4

[Editorial: "The Issue That Must Be Reconsidered"]

[Text] General Charan Kunlawanit, secretary general of the National Security Council, on 9 August called for an apology from the UN Transitional Authority in Cambodia—or UNTAC—for its allegation that Thailand supported the Khmer Rouge in the attack on a group of UNTAC officials.

The secretary general said UNTAC was careless and did not carefully examine the facts before making this defamatory statement against Thailand.

However, on the same day, Foreign Minister Squadron Leader Prasong Sunsiri said he had received a report from the Thai Embassy in Phnom Penh quoting the UNTAC chief as reaffirming that Thai soldiers had

helped negotiate with the Khmer Rouge to secure the release of the 21 UNTAC officials. The Thai Foreign Ministry earlier sent an explanation of the incident to the UNTAC office in the capital of Cambodia.

Now it is clear that the 21 UNTAC officials, who were attacked by the Khmer Rouge in Preah Vihear Province near the border of Thailand's Ubon Ratchathani Province and captured by the Khmer Rouge on 1 August, were set free with the help of the Thai troops, who had not reacted indifferently as UNTAC had earlier accused them of doing.

UNTAC has made all kinds of accusations against Thailand in the past. For example, it said Thailand engaged in the war weapons trade with the Khmer Rouge and helped the latter seize the ancient Preah Vihear Temple from the troops of the provisional government of Cambodia on 7 July. These accusations have damaged Thailand's image in the eyes of the world's people.

Thailand is a long-time member of the United Nations and has supported the UN resolution on the formation of UNTAC with the hope of bringing peace to Cambodia, although it has had to sacrifice many of its interests for that purpose.

Unfortunately, it seems that UNTAC's performance in Cambodia both before and after the 23-27 July general election has failed to bring genuine peace to Cambodia. On the contrary, it has escalated internal conflicts in that country.

Judging from its role and behavior, UNTAC is biased against some Khmer faction leaders and intends to create conflict between Thailand and leaders of the Khmer factions.

Isn't it high time for the Thai Government to call on the United Nations to scrap the resolution on closure of the Thai-Cambodian border and the other resolutions, which are unfair to Thailand?

Satellite Orbit Talks With IFRB, UK Finished

BK0908105793 Bangkok SIAM RAT in Thai 9 Aug 93 pp 7, 8

[Text] Samit Thammasarot, director general of the Post and Telegraph Department, said that there will be no more negotiations over the orbit slot of the Thai satellite [Thaicom 1]. The fact is that the satellite's location is above Thailand's airspace. Although there is no law for claiming the right in space above any country, it is proper etiquette to avoid encroachment.

He said: "If the etiquette is not observed, we can send satellites to fully occupy the space above other countries. The excuse cited by AsiaSat that it cannot change the orbit slot of its satellite for fear of losing its clients does not make any sense. Although there is no law on the space rights, all countries always try to compromise. Unlike aviation rights, there is no law governing the arrangement of satellite orbit slots because satellites are thousands of kilometers above the ground. More important is that we submitted our case to the IFRB [International Frequency Registration Board] seven months before they did."

The director general said he did not expect fair consideration of Thailand's case by the IFRB. The UK had put pressure on Thailand during the past negotiations. Moreover, the IFRB president himself is a Briton.

Asked about the risk of signals interference, the director general said that is not the responsibility of the company that makes the satellite for us.

The director general denied as untrue a report that Shinnawat Satellite Company has agreed to rent some transponders from AsiaSat, saying this report by the mass media has tarnished the company's reputation. AsiaSat is very pleased with the news because undecided clients must have now turned to it. The mass media should be careful and neutral, otherwise, they can cause damage to national interests.

The director general said: "In the satellite business, the first one who sends a setellite up gains the upper hand. Since we plan to shoot our satellite up within a year, AsiaSat is now in a risky position. It has already spent 4 to 5 billion baht in investment but still cannot find clients. More importantly, we will not yield to any pressure because this is our first satellite. The United Kingdom has been threatening us constantly probably because they think Hong Kong is part of the UK. I told them that since Hong Kong will be given to China in the next few years, we will then talk with China. I also told people in the higher echelons not to yield to any threats."

News Agencies' Use of Satellite Dishes Approved

BK1008020993 Bangkok BANGKOK POST in English 10 Aug 93 p 3

[Text] News agencies and their clients will be allowed to set up satellite dishes but only to receive international news services directly from other countries, according to the Communications Authority of Thailand [CAT].

However, the dishes must be transferred into the CAT's possession and the agencies must set up equipment for the CAT to monitor the news received.

The fee for the satellite news reception is 1,500 baht per agency as well as a monthly fee of 1,500 baht per satellite dish.

Premier 'Absolutely' Promises Cabinet Reshuffle

BK1208065193 Bangkok THE NATION in English 12 Aug 93 p A1

[Text] Prime Minister Chuan Likphai yesterday refused to rule out a plan to bring in a sixth party into his government coalition despite growing resistance from allies of the Democrat Party.

"There will absolutely be a Cabinet reshuffle, but I don't know yet whether we need to have a new party (in the government)," the Democrat leader told reporters at Government House.

Chuan earlier promised that all coalition partners would be consulted on the upcoming Cabinet reshuffle to accommodate the Labour Ministry, to be established formally next month. But persistent rumours that the opposition Seritham Party would be invited to join the Cabinet and be given the labour portfolio have drawn increasing objections from the Democrats' main allies.

Foreign Minister Prasong Sunsiri, deputy leader of the Phalang Tham Party, expressed hopes yesterday that the Democrat Party would take into account the feelings of "47 Phalang Tham MPs" into consideration before deciding whether Seritham should be included in the Cabinet. [sentence as published]

It was not clear whether Prasong's emphasis of "47 MPs compared with (Seritham's) eight MPs" was meant as a tacit threat of Phalang Tham withdrawal.

The Democrat Party is reported to have reached a tentative agreement with Seritham, which has openly said it was ready to become a government partner. The opposition party has long been considered an alternative to recalcitrant Social Action, which controls 21 MPs in the government.

Prasong declined to say if Phalang Tham would accept Seritham as a government partner. "I'm not giving any assurance here. I would say only that a Cabinet reshuffle will be decided by the prime minister. But he has to consult other coalition parties first," Prasong said.

He repeated other Phalang Tham leaders' remarks that the present coalition government was stable enough.

Phalang Tham Party founder Chamlong Simuang, still influential in the party, on Tuesday voiced opposition yesterday to any plan to bring a sixth party into the coalition.

Chamlong also called on Chuan to clarify all speculation about the imminent Cabinet reshuffle within two days.

Phalang Tham voiced its opposition despite reports that if Seritham was to join the coalition, the Democrat Party will be the most affected for it would have to sacrifice one Cabinet portfolio to pave the way for Seritham leader Athit Urairat to become labour minister.

The other party to be affected is New Aspiration, which has set its sights on the Labour Ministry.

Chuan has vowed to consult all coalition allies about the reshuffle.

Prasong said yesterday the prime minister had yet to call a meeting of coalition leaders to discuss the matter.

Sources quoted Chuan as saying during a recent gathering of Democrat ministers that some of them might have to "make a sacrifice" when it comes to the reshuffle.

The meeting at the Ban Phitsanulok prime ministerial residence led to speculation among Democrats that either Deputy Science Minister Pricha Musikun or Deputy Public Health Minister Anek Thapsuwan could be asked to step aside if Seritham leader Athit was to be ushered in.

The sources said Democrat members were not very impressed with the performances of Pricha and Anek. Moreover, if either of them is to lose a Cabinet post, it would not lead to a serious conflict within the ruling party because neither are influential party figures.

Conflicts over Cabinet posts led to a mass defection of Democrat dissidents in 1988, crippling the party in a subsequent election.

One source also said that although many Democrat ministers had publicly said they were willing to be "sacrificed" for the sake of government stability, "all said so because they know it was not going to be them." The sources said it would become clearer within two weeks which Democrat minister would have to bow out if Athit is really invited to join the government.

Procurement, Construction Anticollusion Measures

BK1108014593 Bangkok THE NATION in English 11 Aug 93 p B1

[Text] The cabinet yesterday approved several measures aimed at preventing collusion in government procurement and construction bidding as proposed by the Auditor-General's Office. These measures include:

—Set up a central committee to fix criteria and methods for calculating median prices for bid evaluation and awarding of government contracts. It will also prepare manuals for all government agencies which have to comply with these criteria and methods.

The committee is empowered to examine the median prices set by government agencies and to set up subcommittees to perform duties as deemed appropriate.

—Each government will have its own committee to fix appropriate median prices which must be kept confidential. Median prices will be disclosed before the bid-opening committee and bidder.

—Bidders are required to submit details of their procurement plans, building materials for construction projects, for instance. They have to specify sources of materials, storage facilities, equipment which will be used in projects as part of the contracts.

—Contractors will have to take responsibility if their work is found to be defective within two years after delivery.

The central committee in charge of this matter will be headed by the permanent secretary of the PM's [Prime Minister's] Office. Committee members include director-generals of Irrigation Department, Highways Department, Business Economics Department, and Public Works Department, two experts in engineering and architecture fields.

Vietnam

U.S. Help Sought in Finding Vietnamese MIA's

BK1208055293 Hong Kong AFP in English 0531 GMT 12 Aug 93

[Text] Hanoi, Aug 12 (AFP)—Vietnam's Foreign Minister Nguyen Manh Cam has asked the United States to "concretely pursue cooperation" on the question of Vietnamese soldiers who disappeared during the war to "ease the pain of their families." In an interview published Thursday by weekly FRONT DE LA PATRIE DU PCV, DAI DOAN KET, Cam emphasised the U.S. responsibility in finding Vietnamese soldiers missing in action (MIAs).

According to Hanoi, 300,000 Vietnamese soldiers were reported missing during the Vietnam war. There are also 300,000 tombs of unknown soldiers in the nation's military cemeteries. The United States, which lost more than 50,000 men in Indochina between 1961 and 1973, counts 2,248 missing U.S. servicemen. American MIAs are the main obstacle to normalising relations between Washington and Hanoi.

"American humanitarian aid is still small compared with the enormous consequences of the war, the U.S. potential and with regard to efforts deployed by Vietnam to find American MIAs," Cam said. He recalled Hanoi's "humanitarian efforts" since hostilities ended in 1975.

Washington resumed direct humanitarian aid to Hanoi in April 1991. It mainly involves financing the construction of orthopedic centres, a malaria control programme and emergency aid in case of natural disasters. Cam said the aid from April 1991 to June totalled seven million dollars. Last month, the United States gave Hanoi some archives and microfilms which could help shed light on the situation of missing Vietnamese soldiers.

Thai Group To Help VIETNAM NEWS Modernize

BK1108020393 Bangkok BANGKOK POST in English 11 Aug 93 p 17

[Text] Thailand's MANAGER newspaper group will help modernise and expand Vietnam's only English-language daily newspaper, the state-owned VIETNAM NEWS.

The deal is considered significant not only because of the Thai involvement but because Vietnam normally refuses foreign involvement in its medla.

A 10-year technical and financial cooperation contract will be signed here today between Le Quoc Trung deputy director-general of the VIETNAM NEWS AGENCY which owns the daily, and Atthawibun Sisuworanan, director of the Indochina Information Centre of Manager Public Co.

The first phase of the technology transfer will be worth about 12.65 million baht.

VIETNAM NEWS editor Nguyen Khuyen told BUSINESS POST yesterday that the pact does not affect the paper's "editorial sovereignty"—Vietnamese press law bans private publications. Instead, he said, it focuses solely on transferring technical expertise such as newsroom computerisation, printing technology, and equal sharing of future revenue.

Mr Atthawibun said MANAGER will also conduct training courses for Vietnamese journalists and help the paper develop sales and circulation strategies.

Both partners have noticed a dramatic increase in demand for advertising space in Vietnamese print media, a recent phenomenon spurred by the country's economic development.

VIETNAM NEWS has not been able to accommodate all advertisers' requests because it only has four pages on weekdays, and 12 on Sunday. That will change within a few months with the expansion of the paper to eight pages daily, said Mr Khuyen.

Even the Communist party daily, THE PEOPLE, introduced a two-page Saturday advertising section two weeks ago.

The four-page VIETNAM NEWS, in its third year of operation, is produced from an office where ceiling fans provide the only cooling and typewriters are the main means of copy production.

With a circulation of 5,000, VIETNAM NEWS has an editorial and production staff of 25, working in the capital and in the southern commercial centre of Ho Chi Minh City.

Mr Khuyen said the deal is a sign that [illegible]is country is opening up.

"It's an opportunity for the newspaper to develop faster. So far we have operated with very limited resources which constrained our efforts to improve the paper. We will be able to hire more reporters," he said.

Da Nang City-Australian Planning Agreement Signed

BK0908141493 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 6 Aug 93

[Text] On 5 August, in coordination with the Ministry of Building and agencies concerned in Quang Nam-Da Nang Province and Da Nang City, the Urban and Rural Planning Institute held a ceremony to sign the Da Nang City planning project.

Attending the signing ceremony on the Vietnamese side were Pham Phu Luong, deputy minister of building; the vice dean of the Urban and Rural Planning Institute; and Le Hong Ke, project director. On the Australian side were representatives of the Agency for International Development and Aid Program [AIDAP] Mr. (Charles Andrews), head delegate; Mr. (Andrew Amus), AIDAP resident representative in Hanoi; and Mr. (Rockmukolls), first secretary in charge of cooperation and development at the Australian Embassy in Vietnam.

Under the agreement reached between the Vietnamese and Australian Governments, Australia will provide Vietnam with an aid package valued at about $100 million in the 1992-95 fiscal year. The objective of the aid package is to help Vietnam with socioeconomic development in the areas of education, training, public health, infrastructure building, and exploration of natural resources. The two governments have also unanimously agreed to provide funding for the Da Nang City development strategy research project in the above-mentioned fiscal year.

Women's Union President Visits Sweden 3-9 Aug

BK0908152193 Hanoi VNA in English 1445 GMT 9 Aug 93

[Text] Hanoi VNA August 9—The president of the Vietnamese Women's Union, Mrs Truong My Hoa, recently paid a week-long visit to Sweden from August 3 to 9 where she attended the 20th Congress of the Swedish Social Democratic Women's Union at the latter's invitation.

Speaking at the congress and the seminar entitled "Women in Changing World," Mrs Truong My Hoa highlighted the Vietnamese people's achievements and experiences in the process of renovation and the increasing role of women in this process.

Mrs. Truong My Hoa welcomed the achievements recorded by the Swedish Social Democratic Women's Union in protecting the rights of Swedish women and children as well as their contributions to the movement for sexual equality, development and peace in the world. She especially thanked the Swedish women and people for their strong and effective support to the Vietnamese people.

On this occasion, Mrs. Truong My Hoa presented the medal "for the cause of women's liberation" to Mrs Anita Gradin, a leading member of the Swedish Social Democratic Women's Union.

Commentary on UK Ties, UK Firm Building Airport

BK1208094893 Hanoi Voice of Vietnam in English 1000 GMT 11 Aug 93

[Text] An agreement for the construction of a new airport at the present Noi Bai Airport in Hanoi has been signed. It is between the Laing Industrial Construction Group of the U.K. and the director of the Noi Bai Airport. Here is the radio commentator's summary.

The agreement is the first project signed between Vietnam and the U.K. following Prime Minister Vo Van Kiet's recent visit to the country. In a reception given by Prime Minister Vo Van Kiet in Ho Chi Minh City on Tuesday, Mr. Jerry Martin, chairman of the group, expressed his hope that the project will set a model on cooperation for mutual benefit between his group and Vietnam Department of Civil Aviation. Mr. Martin said his group also wanted to invest in building a hospital for foreigners living in Hanoi and other areas, which will be of mutual interests between the two countries.

Prime Minister Vo Van Kiet highly valued the Laing Group's investment in Vietnam, particularly the building of a new terminal at Noi Bai Airport. The project is of economic importance to Vietnam, and an important role in the relations between the two countries. Vietnam-Britain relations have grown recently. Two-way trade doubled in 1992 totalling about $51 million. Britain started to invest in Vietnam in 1990, and now ranks seventh among foreign investers in Vietnam, with total registered capital of $305 million. Britain has resumed its official development aid to Vietnam, and expanded its cultural and educational relations with Vietnam.

Vo Van Kiet's 9-10 Aug Activites Reported

Meets UK Construction Firm's President

BK1108071193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Aug 93

[Text] Prime Minister Vo Van Kiet held a cordial meeting in Ho Chi Minh City on the afternoon of 10 August with Mr. Martin Laing, president of the Laing Industrial Construction Group of the United Kingdom of Great Britain, who made a courtesy call on him while on a working visit to Vietnam. The Laing Industrial Construction Group is planning to establish a joint venture with the Vietnam civil aviation sector in rebuilding the Noi Bai International Airport.

Mr. Laing briefed the prime minister on the results of his working session with the director of Noi Bai International Airport at which they discussed the joint venture to rebuild the airport, a project that paves the way for cooperation between the United Kingdom and Vietnam

following Prime Minister Vo Van Kiet's visit to the UK last July. He expressed the hope that the reconstruction of the airport will serve as a model of cooperation of mutual benefit between the Laing group and the Vietnam civil aviation sector, as well as between the United Kingdom and Vietnam.

Mr. Martin Laing also informed the prime minister of the desire of his group of companies to invest in the construction of a hospital for foreigners in Hanoi, while continuing to study further cooperation and investment in other domains that suit the interests and aspirations of the peoples of the two countries.

Prime Minister Vo Van Kiet welcomed the participation of the Laing group in investing in Vietnam, beginning with the reconstruction of the airport—a project of economic significance to Vietnam and also of significance to the relations of cooperation between Vietnam and the United Kingdom.

The prime minister further pointed ou the domains in which the Laing Group can invest and cooperate under various forms. He also expressed his desire to see that cooperation between the Laing group and various relevant sectors of Vietnam is one of mutual benefit and also one that can furnish experience and train cadres.

Attends Ho Chi Minh City Conference

BK1108143193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Aug 93

[Report on 9-10 August conference in Ho Chi Minh City attended by Vo Van Kiet and other officials in the government and chairmen of party committees and people's committees of Ho Chi Minh City and other southeastern provinces]

[Text] Following the working sessions with leaders of Mekong River Delta provinces, the government held a conference in Ho Chi Minh City on 9-10 August with chairmen of people's committees of Ho Chi Minh City and southeastern provinces. The conference was to develop the implementation plans of government decisions on the directions for socioeconomic development during the 1994-95 period. The conference was also to develop an implementation plan to continue socioeconomic rennovation and development in the countryside as directed by the Party Central Committee's Fifth Plenum resolution.

Prime Minister Vo Van Kiet and Deputy Prime Ministers Phan Van Khai and Tran Duc Luong chaired the conference. Comrade Nguyen Ha Phan, National Assembly vice chairman, secretary of the Party Central Committee, and director of the Party Central Committee Economics Department; various cabinet ministers and deputy ministers; and secretaries of party committees of southeastern provinces also attended the conference.

The conference regarded the southeast as a major economic region of the country, possessing abundant industrial, commercial, service, science, and technological resources as well as an important communication network. The region also possesses tremendous potential in industrial plants and tourism. The socioeconomic development of the region will not only have strong effects on the southern region, but also on the country as a whole. In the last three years, Ho Chi Minh City and the southeastern provinces have brought about significant results in economic rennovation and development. Since 1991, the production value of the region has been increasing at the rate of 17 percent, which is twice that of the country as a whole. The industrial production value equalled half that of the whole country. The region has achieved export value of nearly $2 billion annually. In addition, political stablity has been constantly maintained, and activities in the social field and for the culture and welfare of the people have made clear progress.

The achievements, however, are still inadequate considering the tremendous potential of the region. The infrastructure of the region still lacks uniformity and has been unable to meet development demands; electricity and water supplies for production and domestic use in particular are still unsatisfactory. The public road and bridge system is degrading. Infrastructure facilities in the city and towns are poor and weak. Most production establishments still apply backward technologies, and the sources of supply along with the consumer market for their products are not stable, thus making them unable to compete with foreign goods. Environmental as well as social problems have not been handled properly. During the development process, problems stemming from the negative effects of the market economy in the first phase of the reforming management mechanism are being faced vigorously at many places. These problems require new solutions before further progress in the region's rennovation can be achieved.

Based on all factors and situations, all its potential and achievements of the past three years, the conference attendants discussed and approved the 1994-95 plan for the socioeconomic development of Ho Chi Minh City and the southeastern provinces with the following main directions:

—Maximize the favorable conditions at present to speed up socioeconomic development and transformation to the new economic structure and management mechanism.

—Strive to raise the region's average annual production growth rate to 14-15 percent in the next two years.

—Speed up planning and construction of infrastructure, improving the investment environment in order to create conditions for faster and more efficient development in the next five years.

The comrade chairmen of the party committees and people's committees of Ho Chi Minh City and southeastern provinces contributed many concrete suggestions on economic structures for the whole region as well as each locality in setting up plans for 1994-95. Ho Chi Minh City, Dong Nai, and Vung Tau will serve as pivotal forces in helping neighboring provinces such as Lam Dong, Ninh Thuan, and Binh Thuan catch up with general development of the region and the country as a whole. The conference also determined the responsibilities of all sectors, echelons, and the grassroots units in carrying out reforms in leadership and management structures, and to implement decisions passed by the government, especially those on renovation and socioeconomic development of the countryside, and on future infrastructure. Leaders of the localities also suggested that the government intensify its role in directing the region so that more favorable conditions will be created for development.

Speaking at the conference, Prime Minister Vo Van Kiet highly valued the socioeconomic achievements of Ho Chi Minh City and the southeastern provinces. He also pointed out the importance of the region, not only in the economic, cultural, and social fields, but also in politics. The speedy socioeconomic development of Ho Chi Minh City and the southeastern provinces has had a significant impact on the development of the whole country. Experience has shown that once the right directions and clear objectives for development have been determined, the country as a whole, and Ho Chi Minh City and the southeastern provinces in particular, will need concrete measures and appropriate steps where new models of economic structure and the management mechanism can be adopted. This is for quick adjustment to a market economy that is regulated by the state.

The prime minister pointed out that Ho Chi Minh City and the southeastern provinces, especially Bien Hoa and Ba Ria Vung Tau, attracted the highest investments in the country. These localities also have many joint-venture projects with foreign countries, many large processing zones, and a convenient transportation system. Leaders of the localities need to see new opportunities and advantages while trying to maximize all potential to speed up socioeconomic development of the region in 1994-95. On the other hand, they should also foresee problems and complications and continually strive to improve their management skills to enable them to bring economic development to a new phase.

The prime minister reminded the localities that as they quicken the pace of economic development, they should also pay attention to protection of the socioeconomic environment. Foremost, attention should be placed on stopping the disorderly destruction of the living environment—such as forests, sea, and mineral resouces of the region.

The conference also heard and expressed views on the report on the government's achievements in the first six months of the year, and a number of drafts for the decree regulating implementation of the land law and the agricultural land use law which were passed recently by the National Assembly.

Visits Ho Chi Minh City Tile Factory

BK1108050193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Aug 93

[Text] Prime Minister Vo Van Kiet visited the Duc Tan ornamental tile enterprise in Binh Thanh Precinct of Ho Chi Minh City on 9 August.

The prime minister toured the Binh Loi production workshop where he sought an understanding of the enterprise's efforts to improve the quality of products, its ability to compete with imported goods of the same type, and the livelihood of its workers.

Later, he was briefed by Director Nguyen Thi Nu on the process of developing the enterprise over the past 15 years, as well as on suggestions concerning mechanisms and policies aimed at creating favorable conditions for the enterprise to develop.

After commending the enterprise for its achievements, Prime Minister Vo Van Kiet said:

There is great demand for construction materials, including ornamental tile. With the experiences accumulated from its achievements, the enterprise should continue its investment in developing production workshops, modernizing the production line, and replacing technical equipment, while constantly increasing productivity and improving quality as well as reducing production costs.

The enterprise must ensure that its products are capable of replacing imported goods and that efforts are made to expand exports. This not only saves foreign currency for the state, but also increases capital for expanded reproduction.

The enterprise should also make a study to take part in the program for resolving the housing problem in the Mekong River Delta with products that suit the people's purchasing capacity.

Models for Economic Court Presented to Assembly

BK1208084593 Hanoi Voice of Vietnam in English 1000 GMT 11 Aug 93

[Text] The government has proposed to the National Assembly two models of economic court to be set up to ensure dynamic development of the national economy. The two models were presented last week by the justice minister, Nguyen Dinh Loc, to the Assembly's Law Commission in a project on economic court organization. One way will be to set up specialized courts within existing people's courts. The other way will be to establish a separate court system entirely independent from the system of people's courts.